

1 **IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA**

2 **FIRST APPELLATE DISTRICT**

3 **DIVISION FOUR**

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7 **CHURCH OF SCIENTOLOGY, INTERNATIONAL,**)
8 **Plaintiff/Respondent,**)

9 **vs.**)

10 **GERALD ARMSTRONG,**)
11 **Defendant/Appellant.**)

NO. A075027

12
13 **CLERK'S TRANSCRIPT ON APPEAL**

14 **FROM A JUDGMENT MADE AND ENTERED**

15 **IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA**

16 **MARIN COUNTY COURTS**

17 **VOLUME 14**

18
19
20 **For the Plaintiff/Respondent:**

21 **Andrew Wilson, Esq.**
22 **WILSON, RYAN & CAMPILONGO**
23 **115 Sansome Street, 4th Floor**
San Francisco, CA 94104

24 **For the Defendant/Appellant (In Pro Per):**

25 **Gerald Armstrong**
26 **715 Sir Francis Drake Blvd.**
27 **San Anselmo, CA 94960**
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**SEPARATE STATEMENT OF UNDISPUTED FACTS IN SUPPORT OF
PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH,
SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED
COMPLAINT AND EXHIBITS THERETO 11/16/94**

3650

**DECLARATION OF ANDREW H. WILSON IN SUPPORT OF PLAINTIFF CHURCH
OF SCIENTOLOGY INTERNATIONAL'S MOTION TO COMPEL DEFENDANT GERALD
ARMSTRONG TO ANSWER DEPOSITION QUESTIONS, AND FOR SANCTIONS
12/27/94**

3672

**DEFENDANT'S OPPOSITION TO MOTION FOR SUMMARY ADJUDICATION
OF FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION 1/13/95**

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**ARMSTRONG'S SEPARATE STATEMENT OF DISPUTED AND UNDISPUTED
FACTS IN OPPOSITION TO MOTION FOR SUMMARY ADJUDICATION OF THE
FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF SECOND AMENDED
COMPLAINT 1/13/95**

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ORIGINAL

FILED

NOV 16 1994

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CHURCH OF SCIENTOLOGY
INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY
INTERNATIONAL, a California not-
for-profit religious corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1 through
25, inclusive,

Defendants.

AND RELATED CROSS-ACTIONS AND
CONSOLIDATED ACTION

) CONSOLIDATED CASE NO.
) 157 680

) SEPARATE STATEMENT OF
) UNDISPUTED FACTS IN SUPPORT
) OF PLAINTIFF'S MOTION FOR
) SUMMARY ADJUDICATION OF THE
) FOURTH, SIXTH AND ELEVENTH
) CAUSES OF ACTION OF
) PLAINTIFF'S SECOND AMENDED
) COMPLAINT AND EXHIBITS
) THERETO

) DATE: December 23, 1994
) TIME: 9:00 a.m.
) CALENDAR: Law & Motion
) DEPT: 1

) TRIAL DATE: May 18, 1995

Church of Scientology International ("the Church") submits this statement of undisputed material facts in support of the Church's Motion for Summary Adjudication of the fourth, sixth and eleventh causes of action of plaintiff's second amended complaint.

I. The Church is entitled to summary adjudication of the Fourth Cause of Action because there is no dispute that the parties entered into a written agreement, that the Church performed all of its obligations pursuant to the agreement, that Armstrong breached the agreement by providing a declaration which purports to discuss his experiences with Scientology to anti-Church litigants Vicki and Richard Aznaran, and that the Church is entitled to liquidated damages of \$50,000.00 for this breach.

UNDISPUTED FACT

1. Gerald Armstrong entered into a confidential Mutual Release of All Claims and Settlement Agreement ("Agreement") with Church of Scientology International ("the Church") on December 6, 1986.

EVIDENTIARY SUPPORT

1. Request for Judicial Notice Exhibit A, Verified Amended Complaint (hereinafter "Complaint"), ¶¶ 1 and 2; Request for Judicial Notice Exhibit B, Answer of Gerald Armstrong and the Gerald Armstrong Corporation to Amended Complaint (hereinafter

"Answer"), ¶¶ 1 and 2;
Exhibit 1A, Deposition of
Gerald Armstrong, Vol
III, Oct. 7, 1992, 301:2-
12; 302:1-18, and Exhibit
6 thereto Exhibit 1B;
Mutual Release of All
Claims and Settlement
Agreement, page 16.

2. The Agreement was signed on behalf
of the Church by its President,
Reverend Heber Jentzsch.

2. Exhibit 1B, Mutual
Release of All Claims and
Settlement Agreement,
page 16.

3. The Agreement was signed by
Armstrong's attorney, Michael Flynn,
approving it as to form and content.

3. Exhibit 1B, Mutual
Release of All Claims and
Settlement Agreement,
page 16.

4. Armstrong signed and initialed the
Agreement in the presence of his
counsel, Michael Flynn, and witnesses
Michael Sutter and JoAnn Richardson.
The signing was recorded by video
camera.

4. Exhibit 1A,
Deposition of Gerald
Armstrong, Vol I, 172:9-
12, Exhibit 1C
Declaration of Larry
Heller, ¶ 3, and Exhibits
A and B thereto.

1 5. Prior to signing the Agreement,
2 Armstrong discussed its terms with
3 his attorneys, Michael Flynn and
4 Michael Walton. He also discussed it
5 with a third attorney, Julia
6 Dragojevich.

7
8 6. At the time he signed the
9 Agreement, in the presence of his
10 counsel and live witnesses, Armstrong
11 had the following exchange with CSI
12 attorney, Larry Heller:

13 LARRY HELLER: O.K. Ah, Mr. Armstrong,
14 I'm going to ask you to sign three
15 documents, ah, a Mutual Release of
16 All Claims and Settlement Agreement,
17 and two separate affidavits. Prior
18 to doing so, however, I would like to
19 ask you some questions with regard to
20 those documents, um-hm, excuse me,
21 which I would like you to answer
22 freely and honestly, if you would.
23 Ah, first of all, have you had a
24 chance to, ah, completely and
25 comprehensively review and read these
26 documents?

27 ARMSTRONG: Yeah.

28 HELLER: O.K. Have you had a chance
to discuss these documents with your
attorney, Mr. Flynn?

ARMSTRONG: Yes.

HELLER: Has Mr. Flynn explained these
documents as well as the legal and
factual ramifications to you, legal
and practical ramifications to you to
your satisfaction?

ARMSTRONG: Uh, I think so, yes.

5. Exhibit 1A,
Deposition of Gerald
Armstrong, Vol. I, June
24, 1992, 37:14-20;
38:11-23; 69:18-70:16.

6. Exhibit 1C,
Declaration of Larry
Heller, ¶¶ 4 and 5,
Exhibit A thereto, and
Exhibit B thereto, 1:19-
2:18.

1 HELLER: O.k. Well, do you have any
2 question of that whatsoever?

3 ARMSTRONG: No, I have no current
4 questions about it.

5 HELLER: O.k. Very good. You are
6 going to sign these of your own free
7 will?

8 ARMSTRONG: Yes.

9 HELLER: O.k. You are not suffering
10 from any duress or coercion which is
11 compelling you to sign these
12 documents?

13 ARMSTRONG: No.

14 HELLER: All right. You are not
15 presently under the influence of
16 alcohol or any medication,
17 prescription or otherwise, which
18 would impede your ability to
19 comprehend the legal and factual
20 intent of these documents?

21 ARMSTRONG: No.

22 7. Armstrong received a portion of a
23 total sum paid to his attorney,
24 Michael Flynn, in settlement of all
25 claims of Mr. Flynn's clients.

7. Request for Judicial
Notice Exhibit A,
Complaint, ¶ 13; Request
for Judicial Notice,
Exhibit B, Answer, ¶ 13;
Exhibit 1B Mutual Release
of All Claims and
Settlement Agreement,
¶ 3.

26 8. Armstrong received approximately
27 \$800,000.00 from Michael Flynn as his
28

8. Exhibit 1D,
Declaration of Graham

1 portion of the total settlement sum
2 paid by CSI to Mr. Flynn for Flynn's
3 settling clients.

Berry, and Exhibit B
thereto; Exhibit 1E Marin
Independent Journal,
November 11, 1992,
article entitled, "Is
Money The Root of Our
Problems?"

9 9. Paragraph 7(D) of the Agreement
10 provides that: "Plaintiff agrees
11 never to create or publish or attempt
12 to publish, and/or assist another to
13 create for publication by means of
14 magazine, article, book or other
15 similar form, any writing or to
16 broadcast or to assist another to
17 create, write, film or video tape or
18 audio tape any show, program or
19 movie, or to grant interviews or
20 discuss with others, concerning their
21 experiences with the Church of
22 Scientology, or concerning their
23 personal or indirectly acquired
24 knowledge or information concerning
25 the Church of Scientology, L. Ron
26 Hubbard or any of the organizations,
27 individuals and entities listed in
28 Paragraph 1 above. Plaintiff further

9. Exhibit 1B Mutual
Release of All Claims and
Settlement Agreement, ¶
7(D).

1 agrees that he will maintain strict
2 confidentiality and silence with
3 respect to his experiences with the
4 Church of Scientology and any
5 knowledge or information he may have
6 concerning the Church of Scientology,
7 L. Ron Hubbard, or any of the
8 organizations, individuals and
9 entities listed in Paragraph 1 above.
10 Plaintiff expressly understands that
11 the non-disclosure provisions of this
12 subparagraph shall apply, inter alia,
13 but not be limited, to the contents
14 or substance of his complaint on file
15 in the action referred to in
16 Paragraph 1 hereinabove or any
17 documents as defined in Appendix "A"
18 to this Agreement, including but not
19 limited to any tapes, films,
20 photographs, recastings, variations
21 or copies of any such materials which
22 concern or relate to the religion of
23 Scientology, L. Ron Hubbard, or any
24 of the organizations, individuals, or
25 entities listed in Paragraph 1 above.
26 The attorneys for Plaintiff, subject
27 to the ethical limitations
28 restraining them as promulgated by

1 the state or federal regulatory
2 associations or agencies, agree not
3 to disclose any of the terms and
4 conditions of the settlement
5 negotiations, amount of the
6 settlement, or statements made by
7 either party during the settlement
8 conferences. Plaintiff agrees that
9 if the terms of this paragraph are
10 breached by him, that CSI and the
11 other Releasees would be entitled to
12 liquidated damages in the amount of
13 \$50,000 for each such breach. All
14 monies received to induce or in
15 payment for a breach of this
16 Agreement, or any part thereof, shall
17 be held in a constructive trust
18 pending the outcome of any litigation
19 over said breach. The amount of
20 liquidated damages herein is an
21 estimate of the damages that each
22 party would suffer in the event this
23 Agreement is breached. The
24 reasonableness of the amount of such
25 damages are hereto acknowledged by
26 Plaintiff.

27
28 10. At the time the Agreement was

10. Exhibit 1B, Mutual

1 signed, it was impossible to
2 calculate the likely cost to the
3 Church and the other settling
4 entities should Armstrong breach the
5 provisions of paragraph 7(D).

Release of All Claims and
Settlement Agreement, ¶
7(D) Exhibit 1C,
Declaration of Larry
Heller, and Exhibits A
and B thereto.

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8 11. On May 16, 1994, the Second
9 District Court of Appeal affirmed the
10 trial court's order granting the
11 Church a preliminary injunction.

11. Request for Judicial
Notice Exhibit C, May 16,
1994 Court of Appeal
Opinion, passim; Request
for Judicial Notice
Exhibit D, May 28, 1992
Order granting
preliminary injunction,
passim.

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18 12. In its May 16, 1994 Opinion, the
19 Second District Court of Appeal found
20 that "Armstrong did not deny the
21 charged conduct but asserted the
22 settlement agreement was not
23 enforceable for various reasons,
24 primarily that it was against public
25 policy and that he signed it under
26 duress."

12. Request for Judicial
Notice, Exhibit C, May
16, 1994 Court of Appeal
Opinion, p. 5.

27
28 13. In its May 16, 1994 opinion, the

13. Request for Judicial

1 Second District Court of Appeal
 2 summarily rejected Armstrong's
 3 proffered affirmative defenses, which
 4 included arguments, inter alia, that
 5 the Agreement was contrary to public
 6 policy; signed under duress; violated
 7 various constitutional provisions;
 8 restrained trade; lacked mutuality
 9 and obstructed justice; and that CSI
 10 had actually and/or constructively
 11 defrauded Armstrong and had unclean
 12 hands.

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 14 14. Armstrong argued to the Court
 15 Appeal that some provisions of the
 16 Agreement violated the First
 17 Amendment. The Court of Appeal
 18 rejected this argument, holding,
 19 "Although Armstrong's 'Freedom of
 20 Speech' is affected, it is clear that
 21 a party may voluntarily by contract
 22 agree to limit his freedom of speech.
 23 (See In re Steinberg (1983) 148
 24 Cal.App.3d 14, 18-20 [filmmaker
 25 agreed to prior restraint on
 26 distribution of film]; ITT Telecom
 27 Products Corp. v. Dooley (1989) 214
 28 Cal.App.3d 307, 319 [Employee's

Notice Exhibit C, May 16,
 1994 Court of Appeal
 Opinion, Exhibit 1F, pp.
 9-10; Appellant's Opening
 Brief, pp. 24-49.

14. Request for Judicial
 Notice, Exhibit C, May
 16, 1994 Court of Appeal
 Opinion, Exhibit 1F, pp.
 9 - 10; Appellant's
 Opening Brief, pp. 20 -
 25.

1 Agreement not to disclose
2 confidential information; 'it is
3 possible to waive even First
4 Amendment Free Speech rights by
5 contract']; Snepp v. United States
6 (1980) 444 U.S. 507, 509, fn 3 "[book
7 by CSI employee subject to
8 prepublication clearance by terms of
9 his employment contract]."

10
11 15. Vicki and Richard Aznaran are
12 former Church members and, in 1991,
13 were actively litigating against
14 several Churches of Scientology.
15 Vicki J. Aznaran, et al. v. Church of
16 Scientology of California, et al.,
17 USDC Central District of California
18 CV 88-1786 JMI(Ex) (hereinafter the
19 "Aznaran case").

15. Request for Judicial
Notice, Exhibit A,
Complaint, ¶ 18; Request
for Judicial Notice,
Exhibit B, Answer, ¶ 18;
Exhibit 1A, Deposition of
Gerald Armstrong Vol. II,
July 22, 1992, 183:1-3,
Request for Judicial
Notice Exhibit E,
Complaint in the United
States District Court for
the Central District of
California, Case No. CV
88-1786 JMI(Ex), Vicki J.
Aznaran, et al. v. Church
of Scientology of
California, et al.

1 16. In July, 1991, while attorney
2 for the Aznarans, former Church
3 attorney Joe Yanny "hired Gerry
4 Armstrong as a paralegal to help
5 [Yanny] on the Aznaran case. . ."

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10 17. In August, 1991, Armstrong began
11 helping Ford Greene as a paralegal
12 for the Aznarans. Greene tried to
13 convince the Aznarans to pay him a
14 monthly stipend for Armstrong, so
15 that Armstrong could work on the
16 Aznaran case.

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19 18. On August 26, 1991, Armstrong
20 signed a declaration for filing in
21 the Aznaran case containing
22 statements regarding his alleged
23 experiences with and knowledge of the
24 Church and L. Ron Hubbard.

16. Exhibit 1G,
Transcript of Proceeding
RTC et al. v. Yanny et
al., Case No. BC 033035,
August 6, 1991, 25:19-21,
Exhibit 1H, Declaration
of Joseph A. Yanny, July
31, 1991, 4:21-22.

17. Exhibit 1I,
Declaration of Vicki
Aznaran dated May 19,
1994, p. 5, ¶ 7 Exhibit
1J, Armstrong's Responses
to CSI's Requests for
Admission, July 21, 1994,
Request No. 4.

18. Exhibit 1A,
Deposition of Gerald
Armstrong Vol III,
322:19-323:7, 324:5-10,
324:21-23, 325:1-10,
325:17-326:3, 327:8-10,
and Exhibit 11 thereto,
Exhibit 1K, Armstrong
Declaration, August 26,
1991, Request for

Judicial Notice, Exhibit
A, Complaint, ¶¶ 37 and
59; Request for Judicial
Notice, Exhibit B,
Answer, ¶¶ 37 and 59.

III. CSI is entitled to summary adjudication of the Sixth Cause
of Action because there is no dispute that the parties
entered into a written agreement, that CSI performed all of
its obligations pursuant to the agreement, Armstrong
breached the Agreement by providing interviews to the media,
and that CSI is entitled to liquidated damages of \$100,000
for these breaches.

CSI incorporates herein Undisputed Facts and Evidentiary
Support Nos. 1 to 18, supra.

UNDISPUTED FACT

19. In 1992, Armstrong had twelve
contacts with media representatives,
two of which were interviews with
reporters from the Cable News Network
("CNN") and The American Lawyer
magazine.

20. On March 20, 1992, Armstrong and
his counsel, Ford Greene, provided a
videotaped interview to reporter Don
Knapp of CNN.

EVIDENTIARY SUPPORT

19. Exhibit 1A,
Deposition of Gerald
Armstrong Vol III,
341:24-342:16.

20. Request for Judicial
Notice, Exhibit A,
Complaint, ¶ 44; Request
for Judicial Notice
Exhibit B, Answer, ¶ 44;

Exhibit 1A, Deposition of
Gerald Armstrong, Vol
III, 341:24-344:14;
345:10-16.

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6 21. In the CNN interview, Armstrong
7 discussed his knowledge of the Church
8 of Scientology and L. Ron Hubbard
9 which he had gained through his
10 experiences with the Church of
11 Scientology.

21. Request for Judicial
Notice, Exhibit A,
Complaint, ¶ 44; Request
Answer, ¶ 44; Exhibit 1L,
Transcript of CNN
Broadcast, Exhibit 1A,
Deposition of Gerald
Armstrong, Vol III,
343:19-344:4.

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16 22. Armstrong and his counsel, Ford
17 Greene, were interviewed by reporter
18 William Horne of The American Lawyer
19 magazine. Armstrong made statements
20 concerning his knowledge of and
21 experiences with the Church of
22 Scientology during that interview.

22. Exhibit 1A,
Deposition of Gerald
Armstrong, Vol. III,
341:24-342:14, 348:21-
360:19.

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1 III. CSI is entitled to summary adjudication on the Eleventh
 2 Cause of Action because there is no dispute that the parties
 3 entered into a written agreement, that CSI performed all of
 4 its obligations pursuant to the agreement, Armstrong
 5 breached the Agreement by providing a declaration which
 6 purports to discuss his experiences with the Church of
 7 Scientology to anti-Church litigant David Mayo and his
 8 counsel, and that CSI is entitled to liquidated damages of
 9 \$50,000 for this breach.

10 CSI incorporates herein Undisputed Facts and Evidentiary
 11 Support Nos. 1 to 18, supra.

12
 13 UNDISPUTED FACT

EVIDENTIARY SUPPORT

14
 15 23. On May 27, 1992, Armstrong met
 16 with attorneys Jerold Fagelbaum and
 17 Gary Bright, attorneys for David Mayo
 18 and the Church of the New
 19 Civilization in the consolidated
 20 cases of Religious Technology Center
 21 et al. v. Robin Scott et al., United
 22 States District Court for the Central
 23 District of California, Case No.
 24 CV 85-711 JMI(Bx), and Religious
 25 Technology Center et al. v. Larry
 26 Wollersheim et al., United States
 27 District Court for the Central
 28 District of California, Case No.

23. Request for Judicial
 Notice, Exhibit A,
 Complaint, ¶ 68; Request
 for Judicial Notice,
 Exhibit B, Answer, ¶ 68;
 Exhibit 1A, Deposition of
 Gerald Armstrong Vol II,
 214:20-216:24.

1 CV 85-7197 JMI(Bx). At the time,
2 Fagelbaum and Bright were litigating
3 a cross-claim in that case against,
4 inter alia, CSI.
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6 24. At his meeting with Fagelbaum and
7 Bright, Armstrong executed a
8 declaration purporting to
9 authenticate an affidavit describing
10 Armstrong's alleged experiences with
11 the Church.
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24. Request for Judicial
Notice, Exhibit A,
Complaint, ¶¶ 68 and 69;
Request for Judicial
Notice, Exhibit B,
Answer, ¶¶ 68 and 69;
Exhibit 1A, Deposition of
Gerald Armstrong, Vol II,
219:17-226:25, and
Exhibit 8 thereto,
Declaration of Gerald
Armstrong, May 27, 1992.

19 Dated: November 16, 1994
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Respectfully submitted,

Laurie J. Bartilson
BOWLES & MOXON

WILSON, RYAN & CAMPILONGO

By: 

Andrew H. Wilson

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

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FILED

JAN 05 1985

HOWARD ARMSTRONG

MARIN COUNTY CLERK

BY: E. Kewick Deputy

1 MICHAEL WALTON CABAR#97947
 2 P.O. Box 751
 3 San Anselmo, CA 94979
 4 (415) 456-7920
 5 Attorney for Solina Walton

6 SUPERIOR COURT OF THE STATE OF CALIFORNIA
 7 FOR THE COUNTY OF MARIN

8 CHURCH OF SCIENTOLOGY)
 9 INTERNATIONAL, a California)
 10 not-for-profit religious)
 11 corporation,)

CASE NO. 157 680

12)
 13 Plaintiff,)
 14)

15 vs.)
 16)
 17)

18 GERALD ARMSTRONG; MICHAEL)
 19 WALTON; THE GERALD ARMSTRONG)
 20 CORPORATION, a California for)
 21 profit corporation; DOES 1)
 22 through 100, inclusive,)

VERIFIED ANSWER OF
 SOLINA WALTON

23)
 24 Defendants.)
 25)

26 Defendant SOLINA WALTON responds to the Complaint as follows:

27 1. Defendant does not have sufficient information or belief
 28 to respond to paragraph 1, 2, 3, 4, 7, 8, 9, 10, 11, 12, 13, 14,
 29 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 28, 29, 30, 31, 32,
 30 34, 37, and basing her denial on that ground, denies each and every
 31 allegation of said paragraphs.

32 2. Defendant denies generally and specifically each and every
 33 allegation of paragraph 44. With respect to Paragraph 44, defendant
 34 specifically denies that plaintiff has been damaged in any sum
 35 whatsoever.

36 3. Defendant does not have sufficient information or belief

1 to respond to the general DOE allegations contained in paragraphs
2 35, 36, 38, 39, 41, 42, 43, and 45 and basing her denial on that
3 ground, denies each and every allegation of said paragraphs and
4 with respect to those allegations directed to this defendant, this
5 defendant denies specifically each and every one.

6 4. Defendant admits the allegations in Paragraphs 5 and 6.

7 5. In response to paragraph 26, 33, & 40, Defendant re-
8 alleges and reincorporates herein by reference her responses to
9 paragraphs 1 through 45 of the Complaint.

10 FIRST AFFIRMATIVE DEFENSE

11 6. The Complaint and each and every purported cause of action
12 contained therein fails to state facts sufficient to constitute a
13 cause of action against this answering defendant.

14 7. The Complaint and the whole thereof fails to state facts
15 sufficient to entitle plaintiff to recover punitive damages or any
16 damages whatsoever.

17 SECOND AFFIRMATIVE DEFENSE

18 8. If any allegation contained in the Complaint is adjudged to
19 be true and the plaintiff was injured and/or damaged in any manner,
20 this answering defendant alleges that said injuries and/or damages,
21 if any, were and are the proximate and direct result of the
22 recklessness, carelessness, negligence and fault of the plaintiff
23 and persons other than this answering defendant. In the event that
24 this answering defendant is found to be liable to the plaintiff
25 herein in some manner, this answering defendant requests that his
26 liability be reduced because of the negligence of such other

1 persons, whose conduct contributed to whatever injuries and/or
2 damages plaintiff sustained and requests that any judgment rendered
3 herein in favor of plaintiff and against this answering defendant
4 be in an amount proportionate to this answering plaintiffs
5 individual degree of fault.

6 THIRD AFFIRMATIVE DEFENSE

7 9. Plaintiff is equitably estopped from asserting each and
8 all of the purported causes of action in the complaint by reason of
9 its own acts, omissions and conduct, or that of its agents.

10 FOURTH AFFIRMATIVE DEFENSE

11 10. Plaintiff is barred from bringing this action against
12 this defendant by reason of its own acts, omissions and conduct, or
13 that of its agents.

14 FIFTH AFFIRMATIVE DEFENSE

15 11. Defendant, Solina Walton, is a bone fide purchaser, for
16 value, of the real property which is the subject of this lawsuit.

17 SIXTH AFFIRMATIVE DEFENSE

18 12. Plaintiff is barred from bringing this action against this
19 defendant because of the doctrine of laches.

20
21 WHEREFORE, this answering defendant prays for judgment as
22 follows;

- 23 (1) That plaintiff take nothing by way of its complaint;
24 (2) for costs of suit incurred herein;
25 (3) for attorneys fees;
26 (4) and for such other and further relief as the court may

1 deem just and proper.

2 DATED: January 3, 1995

3 
4 MICHAEL WALTON
5 Attorney for Solina Walton

6 VERIFICATION

7 I, Solina Walton, declare as follows:

8 I am one of the defendants in the above entitled matter. I have
9 read the foregoing Verified Answer to complaint and know the
10 contents thereof, which are true of my own knowledge except as to
11 those matters which are stated on information and belief, and, as
12 to those matters, I believe them to be true.

13 I declare under penalty of perjury pursuant to the laws of the
14 State of California that the foregoing is true and correct.
15 Executed on January 3, 1995 at San Anselmo, California.

16 
17 Solina Walton
18

PROOF OF SERVICE BY MAIL

STATE OF CALIFORNIA, COUNTY OF MARIN

I am a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action; my business address is 700 Larkspur Landing Circle, Larkspur, California 94939.

On January 5, 1995, I served the within VERIFIED ANSWER OF SOLINA WALTON on the interested parties by placing true copies thereof enclosed in sealed envelopes with postage thereon fully prepaid, in the United States mail at San Anselmo, California addressed as follows:

Laurie J. Bartilson
Bowles & Moxon
6255 Sunset Blvd., Suite 2000
Los Angeles, CA 90028

Wilson, Ryan & Campilongo
115 Sansome Street, Suite 400
San Francisco, CA 94104

Ford Greene, Esq.
711 Sir Francis Drake
San Anselmo, CA 94960

Executed on January 5, 1995 at Larkspur, California.

I declare under penalty of perjury that the foregoing is true and correct.



Andrew H. Wilson, SBN #063209
 WILSON, RYAN & CAMPILONGO
 115 Sansome Street, 4th Flr.
 San Francisco, California 94104
 (415) 391-3900
 Telefax: (414) 954-0938

Michael Lee Hertzberg
 740 Broadway, 5th Floor
 New York, New York 10003
 (212) 982-9870

Laurie J. Bartilson, SBN #139220
 BOWLES & MOXON
 6255 Sunset Boulevard, Suite 2000
 Hollywood, CA 90028
 (213) 463-4395
 Telefax: (213) 953-3351

Attorneys for Plaintiff
 CHURCH OF SCIENTOLOGY
 INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA
 FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY
 INTERNATIONAL, a California not-
 for-profit religious corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1 through
 25, inclusive,

Defendants.

FILED

DEC 27 1994

HOWARD HANSON
 MARIN COUNTY CLERK
 by P. Fan, Deputy

) CASE NO. 157680
)
) [LASC NO. BC-052395]
)
) [CONSOLIDATED]
)
) DECLARATION OF ANDREW H.
) WILSON IN SUPPORT OF
) PLAINTIFF CHURCH OF
) SCIENTOLOGY INTERNATIONAL'S
) MOTION TO COMPEL DEFENDANT
) GERALD ARMSTRONG TO ANSWER
) DEPOSITION QUESTIONS, AND
) FOR SANCTIONS
)
)
) DATE: January 27, 1995
) TIME: 2:00 p.m.
) CALENDAR: Law and Motion
) HEARING JUDGE: Discovery
) Referee
)
) TRIAL DATE: May 18, 1995

1 ANDREW H. WILSON deposes and says:

2 1. My name is Andrew H. Wilson and I am one of the
3 attorneys responsible for the representations of the plaintiff
4 and cross-defendant in this action. I have personal knowledge of
5 the facts set forth in this Declaration and could competently
6 testify thereto if called as a witness.

7 2. Attached hereto and incorporated herein are true and
8 correct copies of documents submitted as exhibits in support of
9 the Church of Scientology International's memorandum of points
10 and authorities in support of its motion to compel Gerald
11 Armstrong to answer questions and for sanctions:

12
13 Exhibit A: Mutual Release of All Claims and Settlement
14 Agreement between the Church of Scientology
15 International and Gerald Armstrong.

16 Exhibit B: Excerpts from Volumes 6 and 7 of the
17 Deposition of Gerald Armstrong taken in
18 Church of Scientology International v. Gerald
19 Armstrong, et al., Los Angeles Superior Court
20 Case No. BC 052395;

21 Exhibit C: Declaration of Lawrence E. Heller, executed
22 on March 2, 1992 and Exhibit B attached
23 thereto, filed in Church of Scientology
24 International v. Gerald Armstrong, et al.,
25 Marin County Superior Court Case No. 152229.

26 Exhibit D: Minute Order of May 28, 1992 by Judge Ronald
27 M. Sohigian in Church of Scientology
28 International v. Gerald Armstrong, et al.,

1 Los Angeles Superior Court Case No. BC
2 052395;
3 Exhibit E: Verified Second Amended Complaint for Damages
4 and for Preliminary and Permanent Injunctive
5 Relief for Breach of Contract, filed on April
6 5, 1994 in Church of Scientology
7 International v. Gerald Armstrong, et al.,
8 Los Angeles Superior Court Case No. BC
9 052395;
10 Exhibit F: Notice of Motion and Motion to Compel Answers
11 to Deposition Questions and the Production of
12 Documents Pursuant to Notice of Deposition;
13 Memorandum of Points and Authorities,
14 Declaration of Laurie J. Bartilson in Support
15 thereof, filed on January 6, 1993 in Church
16 of Scientology International v. Gerald
17 Armstrong, et al., Los Angeles Superior Court
18 Case No. BC 052395;
19 Exhibit G: Separate Statement of Deposition Questions
20 and Requests for Inspection of Documents to
21 be Compelled, filed on January 6, 1993 in
22 Church of Scientology International v. Gerald
23 Armstrong, et al., Los Angeles Superior Court
24 Case No. BC 052395;
25 Exhibit H: Reporter's Transcript of Proceedings on
26 February 19, 1993 in Church of Scientology
27 International v. Gerald Armstrong, et al.,
28 Los Angeles Superior Court Case No. BC

052395;

Exhibit I: Opinion in the Court of Appeal of the State
of California, Second Appellate District on
May 16, 1994 in Church of Scientology
International v. Gerald Armstrong, No.
B069450.

Exhibit J: Letter from Laurie Bartilson to Ford Greene,
dated December 19, 1994, requesting a meet
and confer in Church of Scientology
International v. Gerald Armstrong, No.
B069450.

Exhibit K: 3 page document entitled, "What is F.A.C.T.'s
Business Plan? (a Summary)".

I declare under the penalty of perjury under the laws of the
State of California that the foregoing is true and correct.

Executed this 22 day of December, 1994, at San Francisco
California.



Andrew H. Wilson

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the

"Releasees"). The parties to this Agreement hereby agree as follows:

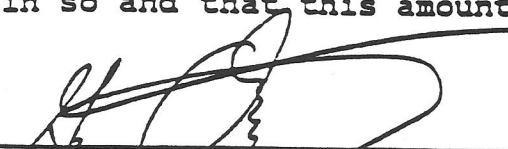
2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block.

amount, the receipt of which he hereby acknowledges.

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Plaintiff understands that this amount is only a portion of the block settlement amount. The exact settlement sum received by Plaintiff is known only to Plaintiff and his attorney, Michael J. Flynn, and it is their wish that this remain so and that this amount remain confidential.



Signature line for Gerald Armstrong

4. For and in consideration of the above described consideration, the mutual covenants, conditions and release contained herein, Plaintiff does hereby release, acquit and forever discharge, for himself, his heirs, successors, executors, administrators and assigns, the Releasees, including Church of Scientology of California, Church of Scientology International, Religious Technology Center, all Scientology and Scientology affiliated organizations and entities, Author Services, Inc. (and for each organization or entity, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and trustee; and Mary Sue Hubbard, and each of them, of and from any and all claims, including, but not limited to, any claims or causes of action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153 and all demands, damages, actions and causes of actions of every kind and nature, known or unknown,

for or because of any act or omission allegedly done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of



Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and

settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

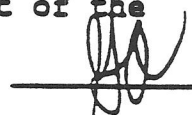
B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other

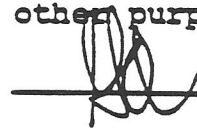


similar form, any writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the



settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of \$50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose

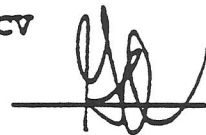


concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV



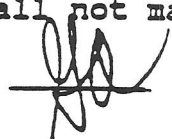
85-0440-HLH(2x), presently on appeal in the Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make

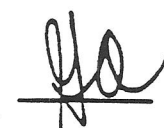


himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.



L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically

3687.1
incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and

all acts required by the terms hereof to be undertaken and 3688
performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18.(A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement,

representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

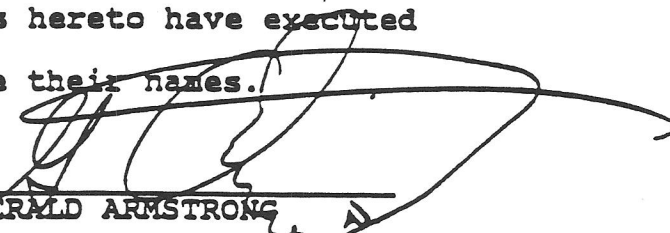
20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain

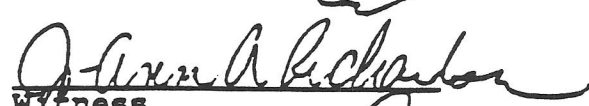
jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1986


GERALD ARMSTRONG


Witness

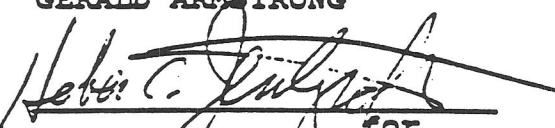

Witness

Dated: 12/6/86

APPROVED AS TO FORM AND
CONTENT:


MICHAEL J. FLYNN
Attorney for
GERALD ARMSTRONG

Dated: December 11, 1986


for
CHURCH OF SCIENTOLOGY
INTERNATIONAL

APPENDIX A

1. As used herein, the term "document" or "documents" include but are not limited to all originals, file copies and copies not identical to the original, no matter how prepared, or all writings, papers, notes, records, books and other tangible things including, by way of example and not of limitation, the following:

- a. Memoranda, notes, calendars, appointment books, shorthand or stenographer's notebooks, correspondence, letters and telegrams, whether received, sent, filed or maintained internally;
- b. Drafts and notes, whether typed, penciled or otherwise, whether or not used;
- c. Minutes, reports and summaries of meetings;
- d. Contracts, agreements, understandings, commitments, proposals and other business dealings;
- e. Recordings, transcriptions and memoranda or notes made of any telephone or face-to-face oral conversations between or among persons;
- f. Dictated tapes or other sound recordings;
- g. Computer printouts or reports and the applicable program or programs therefor;
- h. Tapes, cards or any other means by which data are stored or preserved electrically, electronically, magnetically or mechanically, and the applicable program or program therefor (from which plaintiff may reproduce or cause to be reproduced such data in written form);

i. Pictures, drawings, photographs, charts or other graphic representations;

j. Checks, bills, notes, receipts, or other evidence of payment;

k. Ledgers, journals, financial statements, accounting records, operating statements, balance sheets and statements of account.

IN AND FOR THE SUPERIOR COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

--oOo--

CHURCH OF SCIENTOLOGY
INTERNATIONAL, a California
not-for-profit religious
corporation,

Plaintiff,

vs.

Case No. BC 052395

GERALD ARMSTRONG; DOES 1
through 25, inclusive,

Defendants.

DEPOSITION OF

GERALD ARMSTRONG

Wednesday, June 24, 1992

REPORTED BY: SUSAN M. SKIGEN, CSR #5829

1 those settlement agreements; is that correct?

2 A. I don't have a recollection right now of
3 seeing any.

4 Q. Do you have a recollection right now of
5 seeing any of them at any time except for the Franks
6 one?

7 MR. GREENE: Same instruction for the same
8 reasons.

9 THE WITNESS: Yes, I don't believe so.

10 MR. WILSON: Q. Prior to your leaving
11 Boston for Los Angeles, had you discussed the terms of
12 your settlement with Mr. Flynn?

13 MR. GREENE: Attorney-client privilege.
14 Don't answer that.

15 MR. WILSON: Q. It wasn't -- all right.
16 Never mind.

17 MR. GREENE: Terms, substance.

18 MR. WILSON: Q. Except for discussions
19 which you may or may not have had with Mr. Flynn, did
20 you, prior to the settlement agreement being signed,
21 discuss those terms with anyone else?

22 A. Another lawyer who represented me.

23 Q. And that was Julia, whatever her last name
24 was that you gave us?

25 A. No.

1 Q. Who was that?

2 A. Michael Walton.

3 Q. Are there any other lawyers that you
4 discussed the settlement agreement with?

5 A. No.

6 Q. Michael Walton, Julia Dragojevich and Mr.
7 Flynn; is that accurate?

8 A. What is accurate?

9 Q. That you had discussions about settlement
10 with?

11 A. I don't believe that I had a settlement or
12 a discussion about the terms of the settlement agreement
13 with Julia Dragojevich. No, I did at a time, I did.

14 Q. And this was before the settlement
15 agreement was signed?

16 A. With Julia, I believe it was after.

17 Q. Now, were you aware of the general terms of
18 the settlement prior to the time you flew to Los
19 Angeles?

20 A. No.

21 Q. And I take it, then, that you just became
22 aware of those terms when you, in fact, got to Los
23 Angeles?

24 A. I had not seen one word until I got to L.A.

25 Q. I understand that, but were you aware of

1 SUPERIOR COURT OF THE STATE OF CALIFORNIA

2 IN AND FOR THE COUNTY OF LOS ANGELES

3 ----oOo----

4 CHURCH OF SCIENTOLOGY)
5 INTERNATIONAL, a California)
6 not-for-profit religious)
corporation,)

7 Plaintiff,)

8 vs.)

9 GERALD ARMSTRONG; DOES)
10 1 through 25, inclusive,)11 Defendants.)
_____)CERTIFIED
COPY

Case No. BC 052395

12 DEPOSITION OF

13 GERALD ARMSTRONG

14 VOLUME V

15 PAGES 525 - 624

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18
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25

WEDNESDAY, MARCH 10, 1993

REPORTED BY: LYNN P. NYLUND, CSR NO. 3696

Mary Hillabrand, Inc.
520 Sutter Street
San Francisco, CA 94102

1 Just starting to get a little uncomfortable. Go ahead.

2 THE WITNESS: So -- and also without waiving
3 any attorney/client privilege which exists between me and
4 Mr. Flynn up to that time, so before.

5 MS. BARTILSON: Q. It was oral? You had
6 an oral understanding before you flew out --

7 A. Yes.

8 Q. -- from discussions with Mr. Flynn?

9 And what was the agreement that you agreed
10 on?

11 A. Well, I will tell you this about it --
12 because some of the costs and how the fees were divided
13 up in that whole settlement I don't know. But I was to
14 end up with 520,000. I did end up with 518,500, which
15 was the totality of my portion of the settlement.

16 Q. And that was exclusive of any expenses and
17 so on that Mr. Flynn took before he gave you the money?

18 A. Correct.

19 Q. Before you flew to Los Angeles it was your
20 understanding that if settlement was reached that you
21 would be receiving net approximately \$520,000?

22 A. Correct.

23 Q. Did you at some point have a written
24 agreement with Mr. Flynn as to the amount that you would
25 be receiving in settlement?

SUPERIOR COURT FOR THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

---oOo---

CHURCH OF SCIENTOLOGY
INTERNATIONAL, a California
not-for-profit religious
corporation,

Plaintiff,

v.

No. BC-052395

GERALD ARMSTRONG, THE GERALD
ARMSTRONG CORPORATION, a
California corporation, DOES 1
through 25, inclusive,
Defendants.

-----/
and related cross actions.
-----/

DEPOSITION OF GERALD ARMSTRONG

Volume VI - Pages 625 through 752

THURSDAY, AUGUST 18, 1994

REPORTED BY: SUSAN M. LYON, CSR #5829

1 which he later mentioned upon receipt of my
2 documents was a passing thought, wasn't what he
3 was going to cover.

4 Q. Leaving aside your editorial comments
5 about the Breckenridge decision and the meaning
6 that it has in your life and your recollection of
7 what his main interest was, I'm asking you a
8 specific question about a conversation which you
9 have testified occurred within the last several
10 weeks.

11 Did the topic of your involvement
12 with the church come up at all in either of your
13 or any of your conversations with Mr. Cusick, yes
14 or no?

15 A. I would say yes.

16 Q. And what is your best recollection of
17 what was discussed in that vein?

18 A. That I had been interviewed by Mike
19 Wallace for the 60 Minutes show; that I didn't
20 know where copies of it might be; that there had
21 been, I understood, although I don't think I'd
22 ever seen any of the documents relating to this,
23 that there had been litigation involving CBS and
24 Scientology.

25 That, oh, yeah, he asked about there

1 being any conspiracy with Micheal Flynn. I think
2 he'd spoken to Moraynus, Allen Moraynus, the
3 producer of the second 60 Minute show. Now,
4 that's where the subject of Breckenridge did come
5 up. Because I remember that in my case
6 Scientology had, I believe -- although I may not
7 have said this to him -- my recollection is now
8 that they attempted to accuse Judge Breckenridge
9 as a result of his communications with Allen
10 Moraynus at the time, and those communications
11 were minimal, or were answering some kind of
12 general question without getting into the guts of
13 the Armstrong I litigation, but that.

14 And I had a recollection of
15 Scientology making allegations of some conspiracy
16 between, I think, Flynn and Moraynus or something
17 like that. And that he had this information. And
18 I think at most acknowledging that I had heard the
19 same thing or knew of the same thing.

20 Q. Do you recall any other aspect of
21 this discussion regarding Judge Breckenridge?

22 A. No.

23 Q. What was your knowledge of the
24 contact between 60 Minutes and Judge Breckenridge?

25 A. Well, I saw a document about it at

1 Park meetings and the pig dream, my recitation of
2 it.

3 Q. Is there any other topic in your
4 letter to Premier that you can recall?

5 A. Oh, I may have touched on whatever
6 came to mind at the time, so, but that's really
7 what it was. I was the guy that was referred to
8 in the article and I was responding as that
9 person.

10 Q. Do you recall whether your letter to
11 Premier discussed any of your experiences when you
12 were a member of the Church of Scientology?

13 A. Oh, it may have.

14 Q. It may have. You can't confirm it,
15 but it may have?

16 A. Right.

17 Q. Did you send any documents to Mr.
18 Richardson at any time?

19 A. I don't recall if I did, but I think
20 that there was only the one, only the one written
21 communication. And if I did enclose any
22 documents, perhaps in support of something that I
23 may have said in the letter, then that would be
24 reflected in the letter.

25 Q. All right. So you may have enclosed

1 with Mr. Polito between that initial conversation
2 and today?

3 A. Probably three.

4 Q. As best you recall, what was the
5 substance of those conversations?

6 A. The first conversation concerned the
7 organization of United Enunciants and it led to
8 the November 11, 1992 article which appeared in
9 the Marin Independent Journal.

10 Subsequently, I spoke to him
11 concerning Gene Ingram's visit to him following
12 that article. And the date of that would have
13 been in the early part, I believe, of 1993.

14 And then I've had another couple of
15 conversations with him about, I think, unrelated
16 matters.

17 Q. Unrelated to what?

18 A. Unrelated to Scientology.

19 Q. I see. All right.

20 Now, you referred to an article that
21 Mr. Polito eventually had published?

22 A. Right.

23 Q. Is that an article in which a
24 photograph of you appeared?

25 A. Right.

1 Q. Was that your suggestion or his
2 suggestion that that photo be included in the
3 article?

4 A. I did not suggest it.

5 Q. Did you at any time in any
6 conversation with Mr. Polito discuss your
7 experiences when you were a Scientologist?

8 A. I have no recollection of discussing
9 that period of my life with him.

10 Q. You may have?

11 A. Oh, I may have, yeah.

12 Q. Did you take any notes of your
13 conversations with Mr. Polito?

14 A. No.

15 Q. Did you tape-record any of the
16 conversations with Mr. Polito?

17 A. No.

18 Q. The article that you're referring to,
19 which was published in The Marin Independent
20 Journal, referred to your having obtained a
21 certain sum of money settlement with the church
22 entities; do you recall that?

23 A. Right.

24 Q. Were you the source of that
25 information?

1 so broad and so apparently contrary to this
2 history and to the earlier rulings.

3 Q. Were you upset when you heard that
4 the Internal Revenue Service had granted a tax
5 exemption to the church?

6 A. No.

7 Q. From what source did you first hear
8 this?

9 MR. GREENE: Mr. Hertzberg, I'm not
10 going to object on the relevancy grounds and I
11 won't just so long as your foray into this area
12 isn't much more extensive than it has been.

13 MR. HERTZBERG: It won't be. In
14 fact, this question and the next, I'm sure, will
15 be something you will have no relevancy problem
16 with.

17 THE WITNESS: I really don't know
18 where it came from. There were possibly a number
19 of telephone calls, and then there was receipt of
20 articles which related to that. One of the
21 earliest people from whom I heard anything was
22 Wayne Garcia.

23 MR. HERTZBERG: Q. After you had
24 received information that the tax exemption had
25 been granted, you called a variety of people to

1 discuss the matter, did you not?

2 A. I remember I called -- well, a number
3 of people called me, but I remember sort of being
4 moved to talk to a number of people.

5 Q. About that subject?

6 A. Yeah. I mean, it was fairly big news
7 for a period of time.

8 Q. And who were those people?

9 A. Oh, boy.

10 MR. GREENE: At this point I'm going
11 to object based on relevancy grounds, based on
12 associational privacy grounds, and instruct the
13 witness not to answer. If you give me a tie in --

14 MR. HERTZBERG: No, because I want to
15 know who he was communicating with on this
16 subject. I'm going to ask him a series of
17 questions about matters which he was not permitted
18 to talk about under the settlement agreement.

19 MR. GREENE: At this point, the
20 objection and the instruction will stand.

21 MR. HERTZBERG: You're not going to
22 permit me to determine who he spoke to on this
23 subject and ask him whether he discussed his
24 previous experiences with the Church of
25 Scientology with those people, is that the

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF LOS ANGELES

--oOo--

CHURCH OF SCIENTOLOGY)
INTERNATIONAL, a California)
Not-For-Profit Religious)
Corporation,)

Plaintiff,)

vs.)

Case No. BC-052395

GERALD ARMSTRONG, THE GERALD)
ARMSTRONG CORPORATION, a)
California Corporation, Does 1-25,)
inclusive,)

Defendants.)

Reporter's Transcript of Oral Deposition

GERALD ARMSTRONG

Friday, August 19, 1994

VOLUME VII

Pages 793 through 945

Reported By:

Rosalie E. Stefani
CSR No. 3215

3707

1 Q. Did you tell Miss Nix that you had reached
2 any conclusions about Mr. Hubbard as a consequence of your
3 research for the biography?

4 A. No.

5 Q. Did you discuss anything else with Miss Nix
6 about your involvement or activities as a scientologist
7 during your conversation with her yesterday other than
8 what you have testified to already?

9 A. No.

10 Q. When was your contact with radio Word-FM,
11 Pittsburgh?

12 A. I believe it was in the late summer or
13 early fall of 1993.

14 Q. And do you remember the circumstances of
15 your speaking or meeting with anybody from the radio
16 station?

17 A. Somebody called me from the station, and
18 then I ended up doing a -- I believe a half hour on their
19 radio in Pittsburgh. I think the show is called
20 "Pittsburgh Talks."

21 Q. Do you have a tape of that program?

22 A. You know, I may have at one point, and it
23 is -- I would be happy to make an effort to try and locate
24 it.

25 Q. I would appreciate it.

3708

1 A. Okay.

2 Q. Do you recall what the subject was of your
3 appearance on this radio program?

4 A. I think it really had to do with religion.

5 Q. Did you mention the Church of Scientology?

6 A. Well, I don't think by that name, but the
7 concept of Scientology certainly came up.

8 Q. Did you refer to Scientology?

9 A. I believe there was -- it concerned
10 Scientology.

11 Q. And it concerned your experiences as a
12 scientologist?

13 A. It very likely touched on it.

14 Q. As best you recall, what did you say about
15 your experiences as a scientologist on the radio program
16 Word-FM Pittsburgh?

17 A. I -- I presently have no distinguishable
18 recollection of any specific point which was covered.

19 Q. Did you receive any kind of monetary
20 compensation or expense money for appearing on the radio
21 program?

22 A. No.

23 Q. Did you go to Pittsburgh for the purposes
24 of this radio program?

25 A. No.

3709

1 Q. It was taped over a telephone?

2 A. I'm sorry?

3 Q. Was it taped over a telephone call?

4 A. In answering that, I -- in the sense that
5 my recollection is that it was a live show, but it could
6 have been taped. I don't know beyond the fact that it was
7 by telephone, so I have no information about what was
8 going on at the other end. I don't recall if it was a --
9 if it was a live or call-in, although, I don't recall
10 talking to anyone.

11 Q. Were you a guest on the show or did you
12 just call in as a listener?

13 A. Oh, I was a -- I was a guest.

14 Q. Okay. And, therefore, there was a
15 predetermined time for which -- at which you were to call
16 in so your words could be broadcast on this show, correct?

17 A. Right.

18 Q. And who -- do you know the circumstances of
19 how you were -- became a guest on this show?

20 A. I don't.

21 Q. Did you initiate a call?

22 A. But -- by which I mean, I don't know how
23 they got my name and that they were led to me, but it was
24 initiated by someone, that is, I was called.

25 Q. Do you have any correspondence either from

3710

1 you to the radio station or the radio station to you or
2 both with respect to this radio program?

3 A. I believe that there is a letter that I
4 sent them, some information regarding my situation with
5 the organization.

6 Q. And what was that -- what was reflected in
7 that correspondence?

8 A. I think it was Scientology litigation
9 documents.

10 Q. And you mailed those to somebody at the
11 radio station in advance of your participating in the
12 broadcast that you have testified about?

13 A. Right.

14 Q. Did you mail anything else to the station?

15 A. You mean other than the letter and whatever
16 communication documents?

17 Q. Yes, and the documents, yes.

18 A. I don't believe so.

19 Q. I know I have asked you this question
20 already, but I want to see if we can narrow it more
21 sharply -- the time period in which you think that this
22 broadcast occurred?

23 A. My best recollection is the late summer or
24 early fall of 1993.

25 Q. Would that include -- that would be August,

3711

1 Talks.

2 Q. Oh, it's the Pittsburgh radio station?

3 A. Right.

4 Q. Okay, I guess I'm radio illiterate, too.

5 MR. GREENE: Word is also the name of a
6 software program that is related to computers.

7 MR. HERTZBERG: That must have been by
8 inadvertent osmosis, I assure you.

9 THE WITNESS: So that radio program is what
10 I was referring to.

11 MR. HERTZBERG: All right.

12 Q. Have you exhausted your recollection, then,
13 of any presentations, oral presentations, between March
14 and the present, March, 1993 and the present, on the
15 subject of your involvement with the Church of
16 Scientology?

17 A. Right.

18 Q. During the period between March, 1993 and
19 the present did you submit a manuscript which you had
20 titled "One Hell of a Story" to anybody?

21 A. Yes.

22 Q. To whom?

23 A. Well, although there -- there would be --
24 for privacy interests there would be some of them that I
25 wouldn't -- won't get into, I submitted it to the

3712

1 copyright office, and I submitted it to the -- I think
2 it's Writer's Guild, and I submitted a copy of it to ETV.

3 Q. When did you submit it to the copyright
4 office?

5 A. It was probably July of 1993.

6 Q. And when did you submit it to ETV?

7 A. Within that same time period, maybe a few
8 weeks later, something in that time.

9 Q. To your knowledge has the manuscript "One
10 Hell of a Story" been published anywhere?

11 A. No.

12 Q. Does it recite your experiences in the
13 Church of Scientology?

14 A. Yes.

15 Q. Now, with respect to your refusal to
16 identify other persons I'm going to ask you the question
17 again, because we have to make a record.

18 Other than the submission to ETV, to the
19 copyright office and to the Writer's Guild, to whom did
20 you furnish a copy of your manuscript titled "One Hell of
21 a Story" between March, 1993 and the present?

22 MR. GREENE: I object based on privacy and
23 based on first amendment associational rights.

24 MR. HERTZBERG: All right, are you
25 instructing him not to answer?

3713

1 MR. GREENE: I have not instructed him not
2 to answer.

3 MR. HERTZBERG:

4 Q. All right, would you answer the question,
5 please, Mr. Armstrong?

6 A. Okay, then, I think that -- that for
7 privacy reasons and the safety of everyone involved that I
8 would not answer.

9 MR. HERTZBERG: All right, before moving on
10 I'll merely state for the record that we will move to
11 compel on this, and we believe that this is of the essence
12 of this lawsuit. We're entitled to know to whom he has
13 disseminated a manuscript, because we believe that those
14 are breaches of the settlement agreement, exhibit six to
15 this deposition.

16 Q. Are you going to be steadfast in your
17 refusal to answer, Mr. Armstrong?

18 A. Yeah, I think that the safety of the people
19 involved is so much more paramount than -- than whatever
20 value could be obtained from the fact that somebody
21 received a copy of the manuscript.

22 Q. What is the basis for your stated concern
23 about the safety? Are you aware of any harm coming to
24 anybody as a result of your testimony in your deposition?

25 MR. GREENE: Hold on, hold on. At this

3714

1 point I'm going to object to that based on relevancy
2 grounds and instruct the witness not to answer that
3 question.

4 MR. HERTZBERG: Well, I'm asking him
5 because he has just said that there's a safety issue, and
6 I don't want him to concoct a safety issue later on when
7 were filing our motion to compel.

8 So I want a court to know what he presently had
9 in mind at the time that you asserted what we believe to
10 be a patently frivolous objection made in bad faith for
11 the purpose of obstructing a relevant line of questioning.

12 So I invite you to answer the question,
13 Mr. Armstrong.

14 MR. GREENE: The instruction stands.

15 MR. HERTZBERG:

16 Q. Are you refusing to answer?

17 A. No.

18 Q. You are not refusing to answer or you are
19 refusing to answer.

20 A. I'm not refusing to answer.

21 Q. Would you tell us the response, then,
22 please?

23 A. Okay. I have myself been the target of
24 Scientology's operations. I can recite them, but I think
25 that you know what they are.

3715

1 Q. That's not the question.

2 A. I know, but you're asking me for a response
3 to -- to those things -- on what basis am I seeking to
4 protect these people, and it's for the same reason that on
5 that and on privacy -- on privacy grounds, that I -- I
6 believe that I have a right to protect those people. And
7 so I'm -- there is what has happened to me. There is the
8 fact that, by virtue of my association with people, that
9 those people get dragged into very threatening
10 depositions, such as this. They become targets of
11 surveillance and covert operations. I have been; others
12 have been.

13 There's no need for those people to become
14 targets of the organization's animus toward anybody
15 connected with me or friendly toward me.

16 Q. Mr. Armstrong, I would like you to pay
17 attention to the question. I am asking you if you're
18 aware of any harm that has come to any individual who you
19 have identified in your deposition testimony which is the
20 basis for your having raised what you call the safety
21 issue?

22 A. Okay, I have not identified those people.

23 Q. Mr. Armstrong, you have identified a number
24 of people --

25 A. That's right.

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 3 San Francisco, California 94104
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7 Attorneys for Plaintiff
 8 CHURCH OF SCIENTOLOGY INTERNATIONAL
 9

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 FOR THE COUNTY OF MARIN

12 CHURCH OF SCIENTOLOGY	)	Case No. 152229
INTERNATIONAL, a California	)	
13 not-for-profit religious	)	
corporation;	)	DECLARATION OF
	)	LAWRENCE E. HELLER
14 Plaintiff,	)	
	)	
15 vs.	)	
	)	
16 GERALD ARMSTRONG; DOES 1	)	
17 through 25, inclusive,	)	
	)	
18 Defendants.	)	
	)	

19 I, LAWRENCE E. HELLER, hereby declare:

20 1. I am an attorney at law duly licensed to practice
 21 before all of the courts of the State of California and am
 22 a partner in the law firm of Turner, Gerstenfeld, Wilk &
 23 Tigerman. I have personal knowledge of the matters set forth
 24 below, and if called upon to do so, could and would competently
 25 testify thereto.

26 2. In 1986 I assisted various Churches of Scientology to
 27 achieve the settlement of a series of lawsuits with attorney
 28

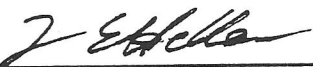
1 Michael J. Flynn and a several other attorneys around the
2 country, who represented a number of plaintiffs and witnesses
3 against those Churches of Scientology. Gerald Armstrong was one
4 of these plaintiffs.

5 3. To finalize this settlement with Armstrong, I met with
6 Mr. Armstrong and his attorney, Michael Flynn, in Los Angeles
7 on December 6, 1986. I was present when Mr. Armstrong, in the
8 presence of his attorney signed the Settlement Agreement with
9 the Church of Scientology International. This meeting and
10 signing was video taped.

11 4. Attached as Exhibit A to this Declaration is a copy of
12 the video tape made at that meeting. I have reviewed this tape
13 and state that it accurately depicts all of the events of that
14 meeting.

15 5. Attached as Exhibit B is a copy of the transcript of that
16 video tape. I have reviewed this transcript against the video,
17 itself, and state that it is an accurate transcription of the
18 video.

19 I declare under penalty of perjury that the foregoing is
20 true and correct. Executed this 2nd day of March, 1992, at
21 Los Angeles, California.

22 
23 Lawrence E. Heller

**TRANSCRIPT OF GERALD ARMSTRONG VIDEO RECORDING OF
SETTLEMENT AGREEMENT SIGNING**

Appearances: December 6, 1986

LH: Larry Heller

GA: Gerald Armstrong

MF: Michael Flynn

JR: Jo Ann Richardson (Notary)

MS: Michael Sutter (Witness)

BEGINNING OF TAPE

LH This is fine, that covers everything and um, we're alright.

MF How many you got there?

LH Well I got the two affidavits for, then I got these here which, um, we don't have to sign these on video tape - we can do it if you like...

MF It makes no difference to me.

LH It's all the same to me too...

LH OK. It's now 9:04, ah, pm on December 6 1986 and to my left is Gerald Armstrong and next to him Michael J. Flynn. Um, Mr. Armstrong, I understand Mr. Flynn is your attorney here representing you today, is that correct?

GA Right.

LH OK. Ah, Mr. Armstrong I'm going to ask you to sign three documents, ah, a mutual release of all claims and settlement agreement, and two separate affidavits. Prior to doing so however, I would like to ask you some questions with regard to those documents, um-hum, excuse me, which I would like you to answer freely and honestly if you would. Ah, first of all have you had a chance to, ah, completely and comprehensively review and read these documents?

GA Yeah.

LH OK. Have you had a chance to discuss these documents with your attorney, Mr. Flynn?

GA Yes.

LH Has Mr. Flynn explained these documents as well the legal and factual ramifications to you, legal and practical ramifications to you to your satisfaction?

GA Uh, I think so, yes.

LH OK. Well do you have any question of that whatsoever?

GA No, I have no current questions about it.

LH OK, very good. You are going to sign these of your own free will?

GA Yes.

LH OK. You are not suffering from any duress or coercion which is compelling you to sign these documents?

GA No.

LH Alright, you are not presently under the influence of alcohol or any medication, prescription or otherwise, which would impede your ability to comprehend the um, legal and factual intent of these documents?

GA No.

LH Um, you may have noticed in reviewing the settlement agreement that, ah, you are part of a what we have generically described as a universal settlement, ah, what I mean by that is and you probably know that independently as well, as you're smiling. What I mean by that...

GA ... no, just that, that's the same as a global settlement, right?

LH It's the same thing. Exactly.

GA Got it.

LH I said generically described so far, universal, global, all encompassing - whatever you like, but the intent of it is that, um, you are one of many claimants uh, who uh, contend that they have claims against the Church of Scientology as well as related and unrelated entities and individuals. Some of those claimants have litigation such as you do pending against the Church of Scientology, some of them don't.

Uh, as you also may or may not know, uh, one lump sum payment is being made to Mr. Flynn. Um, Mr. Flynn is then

going to be distributing from that lump sum certain sums to some or all of these claimants...

MF After I go to Rio.

LH After he goes to Rio, exactly. Neither I nor my clients know what the nature or amount that that distribution is um, and we don't want to know. Uh, what's important to us is that you realize that it's a universal/global settlement; that you realize that you are getting paid a certain amount out of that settlement, if you in fact are, and I'm making the assumption you are, but that, uh, and also that you tell me while we're now on video tape that you are happy and satisfied with the amount that Mr. Flynn has promised to pay you.

(phone rings and is answered)

GA Yes.

LH OK, now, other than any representations which Mr. Flynn has made to you in order to uh, get you to sign this uh, have any other representations been made by either myself or my clients or anything else which has compelled you to sign these documents?

Now, what I'm saying to you is there are obviously representations in the documents...

GA Correct.

LH Mr. Flynn has spoken with you - he has said you will get this and that for the, uh, whether money or other consideration for the signing of these documents...

GA Right.

LH OK, now I want to make sure that were there any other representations made to you of anything you would get in consideration for the signing of these documents.

GA Not in terms of what I would get: no.

LH OK. Along those same lines - As I said this is a universal settlement - ah, accordingly, ah, it is possible that some of the other parties may not settle for some reason, and I want you to be aware of the fact that if in fact one of those other, one or more of those other parties do not settle, this settlement falls through. You're aware of that?

GA OK.

LH OK, and you're also aware of the fact however that we are putting these in what is in effect an escrow account - these documents and this video tape - an escrow, um, sort of holding place, uh, so that all of these documents in the video tape will be destroyed if the, uh, settlement does not go through. And you're aware of all that? ...OK?

GA Um-hum.

LH OK, uh, with that then why don't we take a picture of the mutual release of all claims and settlement agreement and then I'll ask you to sign it.

...zoom to document...

LH OK, now what I'm going to ask you to do is please is to initial each of the bottom of each of these pages, I'll turn the page for you and then you'll sign it, I think in two different places if you would.

...GA initials the document...

MF Oh you've got a signature there, Lar.

LH Oh, I'm sorry...that's right...right up here.

...GA continues to initial and sign the document...

LH OK and if you'd date and sign there please.

...GA signs the document...

MF You didn't want to eat dinner with any of those people anyway.

LH No, what did I want to go out to dinner for. Is that crazy? OK, let's see, if you give it to Mr. Flynn, he'll sign it ... and you'll take two separate pictures of these Ted.

...zoom into document...

MF Little art work?

GA I think it...I think we have to, seeing as that's how the checks are.

LH OK and I've just taken a picture of this affidavit and asked that you initial at the bottom of the pages and then sign it once you get your pen back.

...GA signs document...

MF (Laughs)

LH OK, and here is the second affidavit...

...zoom into document...

LH OK.

...GA signs document...

MF How do you do that so quickly? That's awesome.

LH Um... OK, do you have any sort of identification on you so we can give it to the notary?

GA Sure.

LH So she can notarize your documents.

GA We haven't met before, have we?

JR No.

LH Why don't I have you sign...

LH Uh, I don't think we need to take a picture of this, this is the stipulated sealing order but you know what, all of these are for Bruce Bunch's signature I think...

MF Oh, are they...

LH Because...

MF Should we get Bruce down here at some point?

LH Well...

MF Bruce is in trial I think...

GA Yeah, he is.

MF Yeah, whatever, we can get Bruce back down here. He's in the middle of a trial...

LH I think I'd want either Bruce or Julia's signature on this.

MF Julia would probably be easier...

LH Yeah...

MF Cause Bruce is in the middle of a trial.

LH Well we can arrange for that, that shouldn't be a problem...

MF Well she's coming Monday to do hers...right?

LH Exactly, um, ok, I noticed by the way, in this stipulation for return of sealed materials, it also has Mr. Armstrong's signature and your signature on it so...Let's take a picture of that.

...zoom into document...

LH And have you had a chance to read this yet Mr. Armstrong?

GA Yeah.

LH OK...alright... would you date and sign that please.

GA I keep thinking it's '85.

LH It's a good way...certainly...not to confuse your signature...

GA No.

LH ...Because Mr. Armstrong is, um, putting a face on his signature.

GA Makes it valuable.

LH Exactly.

MF It's awesome...as opposed to my ugly scrawl.

LH You probably have the same artistic talent that I have, which is...

MF Mine is zero.

LH Zero to none. OK, and I think that's it. Thank you Ted. Oh OK, or do you have any questions?

GA No, no

MF Those are orders...

LH These are orders which will be signed by the attorneys which will relate to sealing the files so that no one can get into them as well dismissing your actions. Those will be signed when the entire settlement is finished, um, and then given to the court for Judge Breckenridge's signature.

GA OK...

LH OK.

MF We should put how many docs we got...

GA Do you need duplicate sets signed? Or is that...

MF No, no there's only one...

LH No.

...counting documents...

MF 1-2-3-4 here.

LH OK, I've got two here which is six and then there's two affidavits which is eight.

LH OK, and if you got a drivers license or...

GA Right here.

JR He gave it to me...

LH Already got it?

GA Yeah.

JR You need to put your signature there and your address there please.

LH So you had a good time today?

MF Oh yeah, we had an excellent time, it was very pleasant and we had a nice plane ride up - nice plane ride back...

LH Well Michael's good company.

MF Nice visit with ah...yeah, Mike's very good company... nice, pleasant...

LH I've flown with him once or twice myself.

MF Yeah.

LH The trouble with me, he ususally sleeps. I'm not sure why that is.

MF No, we didn't sleep, (laughs).

MF Witnesses, we need witnesses with some of these docs.

LH Uh, no I think there was a one...that's right.

MF ...several are needed...

LH ...well, just, no only...

MF ...just the release.

LH Only the ah, mutual release...did I see a witness signature there? And there were... you know let's get Ted back - As a matter of fact Ted, why don't you roll this again because we're going to have witnesses sign. Thanks for reminding me.

MS Should Ted be a witness?

LH Oh, you two were witnesses so far... OK, we're back on the camera - 9:15 - and I neglected to get witnesses signatures on the uh, mutual release of all claims and settlement agreement so why don't I do that right now.

...Witnesses sign...

MS Just the one?

LH Okee-dokee, yup, and those are affidavits. Will you stamp them? Thanks Ted. Allright, so...we want to put up all this down in the vault...

MF This all goes together.

LH ...and you've marked that stuff for Michael Hertzberg.

MF Yeah. All marked.

END OF TAPE

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

3727

Date: May 28, 1992

Honorable Ronald M. Sohigian, Judge

1

M. Cervantes, Deputy Clerk

None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

In this matter heretofore taken under submission on May 27, 1992, the court now makes the following ruling.

1 Plaintiff's legal remedies are inadequate insofar as the scope of relief ordered below is concerned, but not otherwise. CCP 526(4) and (5).

2 The threatened acts which are restrained by the order referred to below, but only those threatened acts, would do irreparable harm to plaintiff which could not be compensated by monetary damages. CCP 526(2).

3 On the basis of the instant record, there is a reasonable probability that plaintiff will prevail after trial of this case in the respects restrained by this order. CCP 526(1); cf., San Francisco Newspaper Printing Co., Inc. vs. Superior Court (Miller) (1985) 170 Cal. App. 3d 438.

4 Plaintiff is likely to suffer greater injury from denial of the preliminary injunction the terms of which are set out below than the injury which defendant is likely to suffer if it is granted. See Robbins vs. Superior Court (County of Sacramento) (1985) 38 Cal. 3d 199, 206.

5 The granting of a preliminary injunction in the terms set out below will preserve the status quo pending trial.

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992

Honorable Ronald M. Sohigian, Judge
1aM. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

6 Application for preliminary injunction is granted in part, in the following respects only.

Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following:

Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it.

Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.

The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order.

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992

Honorable Ronald M. Sohigian, Judge

1b

M. Cervantes, Deputy Clerk

None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

The application for preliminary injunction is otherwise denied.

7 The restraints referred to in sec. 6, above, will become effective upon plaintiff's posting an undertaking in the sum of \$70,000 pursuant to CCP 529(a) by 12:00 noon on June 5, 1992.

8 The restraints referred to in sec. 6, above, properly balance and accommodate the policies inherent in: (a) the protectable interests of the parties to this suit; (b) the protectable interests of the public at large; (c) the goal of attaining full and impartial justice through legitimate and properly informed civil and criminal judicial proceedings and arbitrations; (d) the gravity of interest involved in what the record demonstrates defendant might communicate in derogation of the contractual language; and (e) the reasonable interpretation of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986. The fair interpretation of all the cases cited by the parties indicates that this is the correct decisional process. The law appropriately favors settlement agreements. Obviously, one limitation on freedom of contract is "public policy"; in determining what the scope of the public policy limitation on the parties' rights to enforcement of their agreement in the specific factual context of this case, the court has weighed the factors referred to in the first sentence of this section. Litigants have a substantial range of contractual freedom, even to the extent of agreeing not to assert or exercise rights which they might otherwise have. The instant record shows that plaintiff was substantially compensated as an aspect of the agreement, and does not persuasively support defendant's claim of duress or that the issues involved in this preliminary injunction proceeding were precluded by any prior decision.

DEPT. 88

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992

Honorable Ronald M. Sohigian, Judge
1cM. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International
vs.Counsel For
Plaintiff

Gerald Armstrong, et al.

Counsel For
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

9 The court does not dispositively decide the underlying merits of the case except for this preliminary determination. CCP 526(1); Baypoint Mortgage Corp. vs. Crest Premium Real Estate etc. Trust (1985) 168 Cal. App. 3d 818, 823.

10 Plaintiff is ordered give written notice by mail by June 5, 1992, including in that written notice a statement regarding whether plaintiff has or has not posted the undertaking referred to in sec. 7, above, and attaching to that written notice evidence showing that the undertaking has been posted if that is the fact.

DATED: May 28, 1992.

RONALD M. SOHIGIAN

RONALD M. SOHIGIAN
Judge of the Superior Court

A copy of this minute order is sent to counsel via United States mail this date.

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8 Attorneys for Plaintiff
 9 CHURCH OF SCIENTOLOGY INTERNATIONAL

ORIGINAL FILED

APR 05 1994

LOS ANGELES
 SUPERIOR COURT

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 FOR THE COUNTY OF LOS ANGELES

12 CHURCH OF SCIENTOLOGY	)	CASE NO. BC 052395
INTERNATIONAL, a California	)	
13 not-for-profit religious	)	VERIFIED SECOND AMENDED COMPLAINT
corporation;	)	FOR DAMAGES AND FOR PRELIMINARY
14	)	AND PERMANENT INJUNCTIVE RELIEF
Plaintiff,	)	FOR BREACH OF CONTRACT
15	)	
vs.	)	
16	)	
17 GERALD ARMSTRONG; THE GERALD	)	
ARMSTRONG CORPORATION, a	)	
18 California corporation; DOES	)	
1-25 INCLUSIVE	)	
19	)	
Defendants.	)	
20	)	

21 Plaintiff, by its attorneys, Wilson, Ryan & Campilongo and
 22 Bowles & Moxon, for its Complaint, alleges:

23 NATURE OF THE ACTION

24 1. In violation of the express terms and spirit of a
 25 settlement agreement ("the Agreement") entered into in December,
 26 1986, defendant Gerald Armstrong ("Armstrong") has embarked on a
 27 deliberate campaign designed to aid plaintiff's litigation
 28 adversaries, breach the confidentiality provisions of the

1 Agreement, and foment litigation, hatred and ill-will toward
2 plaintiff.

3 2. More than seven years ago, plaintiff Church of
4 Scientology International ("CSI") entered into the Agreement with
5 Armstrong, on its own behalf and for the benefit of numerous
6 third-party beneficiaries. The Agreement provided for a mutual
7 release and waiver of all claims arising out of a cross-complaint
8 which defendant Armstrong had filed in the case of Church of
9 Scientology of California v. Gerald Armstrong, Los Angeles
10 Superior Court No. C 420153. Armstrong, a former Church member
11 who sought, by both litigation and covert means, to disrupt the
12 activities of his former faith, displayed through the years an
13 intense and abiding hatred for the Church, and an eagerness to
14 annoy and harass his former co-religionists by spreading enmity
15 and hatred among members and former members. Plaintiff sought
16 with the Agreement to end all of Armstrong's covert activities
17 against it, along with the litigation itself. For that reason,
18 the Agreement contained carefully negotiated and agreed-upon
19 confidentiality provisions and provisions prohibiting Armstrong
20 from fomenting litigation against plaintiff by third parties.
21 These provisions were bargained for by plaintiff to put an end to
22 the enmity and strife generated by Mr. Armstrong once and for
23 all.

24 3. This action arises out of deliberate and repeated
25 breaches by Armstrong of these and other express provisions of
26 the Agreement. Although plaintiff fully performed all of its
27 obligations under the Agreement, Armstrong never intended to keep
28 his part of the bargain and maintains that he considered the

1 referenced provisions to be unenforceable ab initio. As soon as
2 he finished spending the money he extracted from plaintiff as the
3 price of his signature, Armstrong began a systematic campaign to
4 foment litigation against plaintiff by providing confidential
5 information, copies of the Agreement, declarations, and
6 "paralegal" assistance to litigants actively engaged in
7 litigation against his former adversaries. Although plaintiff
8 has repeatedly demanded that Armstrong end his constant and
9 repeated breach of the provisions of the Agreement, Armstrong
10 appears to delight in renewing his annoying and harassing
11 activities, admitting to them in sworn declarations, and refusing
12 to end his improper liaisons.

13 4. With this Complaint, plaintiff seeks the Court's aid in
14 obtaining the peace for which it bargained more than seven years
15 ago. Plaintiff requests liquidated damages pursuant to the terms
16 of the Agreement from Armstrong and his sham corporate alter ego,
17 the Gerald Armstrong Corporation ("GAC"), as well as injunctive
18 relief to prevent additional and future breaches of the Agreement
19 by Armstrong.

20 THE PARTIES

21 5. Plaintiff Church of Scientology International is a non-
22 profit religious corporation incorporated under the laws of the
23 State of California, having its principal offices in Los Angeles,
24 California. Plaintiff CSI is the Mother Church of the
25 Scientology religion.

26 6. Defendant Gerald Armstrong is a resident of Marin
27 County, California.

28 7. Defendant Gerald Armstrong Corporation is a corporation

1 incorporated under the laws of the State of California, having
2 its principal offices in San Anselmo, California.

3 8. Defendant Armstrong is the principal shareholder in GAC
4 and its sole employee, and has been since the incorporation of
5 GAC in 1987.

6 9. Defendant GAC is, and at all times since its
7 incorporation was, the alter ego of defendant Armstrong and there
8 exists, and at all times since GAC's incorporation has existed, a
9 unity of interest and ownership between these two defendants such
10 that any separateness between them has ceased to exist, in that
11 defendant Armstrong caused his own personal assets to be
12 transferred to GAC without adequate consideration, in order to
13 evade payment of his lawful obligations, and defendant Armstrong
14 has completely controlled, dominated, managed and operated GAC
15 since its incorporation for his own personal benefit.

16 10. Defendant GAC is, and at all times herein mentioned
17 was, a mere shell, instrumentality and conduit through which
18 defendant Armstrong carried on his activities in the corporate
19 name exactly as he conducted it previous to GAC's incorporation,
20 exercising such complete control and dominance of such activities
21 to such an extent that any individuality or separateness of
22 defendant GAC and defendant Armstrong does not, and at all
23 relevant times mentioned herein, did not exist.

24 11. Adherence to the fiction of the separate existence of
25 defendant GAC as an entity distinct from defendant Armstrong
26 would permit an abuse of the corporate privilege and would
27 sanction fraud, in that Armstrong transferred his material assets
28 to GAC in 1988, prior to embarking on the campaign of harassment

1 described herein, and with the intention of preventing plaintiff
2 from obtaining monetary relief from Armstrong pursuant to the
3 liquidated damages clause. GAC exists solely so that Armstrong
4 may be "judgment proof."

5 THE CONTRACT

6 12. On or about December 6, 1986, CSI and Armstrong entered
7 into a written confidential settlement Agreement, a true and
8 correct copy of which is attached hereto as Exhibit A, and
9 incorporated herein by reference.

10 13. The Agreement was entered into by plaintiff and
11 defendant Armstrong, with the participation of their respective
12 counsel after full negotiation. Each provision of the Agreement
13 was carefully framed by the parties and their counsel to
14 accurately reflect the agreement of the parties.

15 14. Plaintiff specifically negotiated for and obtained from
16 Armstrong the provisions in the Agreement delineated in
17 paragraphs 7(D), 7(H), 7(G), 10 and paragraphs 12 through 18,
18 because it was well aware, through investigation, that Armstrong
19 had undertaken a series of covert activities, apart from the
20 litigation, which were intended by Armstrong to discredit Church
21 leaders, spark government raids into the Churches, create phony
22 "evidence" of wrongdoing against the Churches, and, ultimately,
23 destroy the Churches and their leadership.

24 15. Contemporaneously with the signing of the Agreement,
25 Armstrong represented that he understood the Agreement's
26 provisions and was acting of his own free will and not under
27 duress.

28 16. The Agreement also provided that plaintiff CSI would

1 pay to Armstrong's attorney, Michael Flynn, a lump sum amount
2 intended to settle not just Armstrong's case, but the cases of
3 other clients of Mr. Flynn as well, and that Mr. Flynn would pay
4 to Armstrong a portion of that settlement amount. The exact
5 amount of the portion to be paid to Armstrong by Mr. Flynn was
6 maintained as confidential between Mr. Flynn and Armstrong.

7 17. CSI paid to Mr. Flynn the lump sum settlement amount.

8 18. Mr. Flynn paid to Armstrong his confidential portion of
9 the lump sum settlement amount, which was at least \$520,000,
10 after expenses.

11 19. The consideration paid to Armstrong was fair,
12 reasonable and adequate. Plaintiff CSI has performed all of its
13 obligations pursuant to the Agreement.

14 **FIRST CAUSE OF ACTION**

15 (Against Armstrong for Breach of Contract)

16 20. Plaintiff realleges paragraphs 1-19, inclusive, and
17 incorporates them herein by reference.

18 21. Vicki and Richard Aznaran ("the Aznarans") are former
19 Scientology parishioners currently engaged in litigation against,
20 inter alia, RTC and CSI, in the case of Vicki J. Aznaran, et al.
21 v. Church of Scientology of California, et al., United States
22 District Court for the Central District of California, Case No.
23 CV 88-1786 JMI (Ex).

24 22. In June, 1991, the Aznarans discharged their attorney,
25 Ford Greene, and retained attorney Joseph A. Yanny to represent
26 them.

27 23. While acting as the Aznarans' counsel, Yanny hired
28 Gerald Armstrong as a paralegal to help Yanny on the Aznaran

1 case.

2 24. In July, 1991, Armstrong agreed to travel from Marin
3 County to Los Angeles and asked Yanny to pay him \$500 for his
4 proposed help.

5 25. In July, 1991, Armstrong did travel to Los Angeles as
6 he had agreed, stayed with Yanny on July 15 and July 16, 1991,
7 and provided Yanny with paralegal assistance and a declaration
8 for the Aznaran case.

9 26. Yanny is former counsel to CSI, and his substitution
10 into the case was vacated by the Court sua sponte on July 24,
11 1991, the Court noting that Yanny's retention as the Aznarans'
12 counsel was "highly prejudicial" to CSI.

13 27. Armstrong's acceptance of employment by Yanny to work
14 on the Aznarans' litigation is a direct violation of Paragraphs
15 7(G) and 10 of the Agreement.

16 28. As a direct and proximate result of Armstrong's breach
17 of the agreement by providing paralegal assistance to Yanny in
18 the Aznarans' litigation, plaintiff has incurred damages which
19 are not presently calculable. In no event, however, are they
20 less than the jurisdictional minimum of this Court.
21 Consequently, for this breach plaintiff seeks compensatory and
22 consequential damages according to proof.

23 **SECOND CAUSE OF ACTION**

24 (Against Armstrong for Breach of Contract)

25 29. Plaintiff realleges paragraphs 1-19, 21-28, inclusive,
26 and incorporates them herein by reference.

27 30. After Yanny entered his appearance in the Aznarans'
28 case and indicated to CSI's counsel that he represented Gerald

1 Armstrong as well, CSI brought suit against Yanny in the case of
2 Religious Technology Center, et al. v. Joseph A. Yanny, et al.,
3 Los Angeles Superior Court No. BC 033035 ("RTC v. Yanny"). In
4 that action, plaintiff sought and obtained a Temporary
5 Restraining Order and a Preliminary Injunction against Yanny,
6 which prohibit Yanny from aiding, advising, or representing,
7 directly or indirectly, the Aznarans or Armstrong, on any matters
8 relating to the plaintiff.

9 31. At the hearings before the Court on the temporary
10 restraining order and the injunction, Yanny filed two
11 declarations prepared and executed by Armstrong on July 16, 1991.
12 The declarations were offered by Yanny as part of Yanny's
13 defense, which was ultimately rejected by the Court when it
14 issued its injunction.

15 32. Armstrong's aid to Yanny in the RTC v. Yanny case is a
16 direct violation of Paragraphs 7(G) and 10 of the Agreement.

17 33. Armstrong attached as an exhibit to one of his July 16,
18 1991 declarations a copy of the Agreement, the terms of which he
19 had agreed, pursuant to paragraph 18(D), to keep confidential.
20 This disclosure of the terms of the Agreement is a violation of
21 its non-disclosure provisions, requiring that Armstrong pay to
22 CSI \$50,000 in liquidated damages.

23 34. Despite demand by plaintiff, Armstrong has failed and
24 refused to pay them the \$50,000 owed in liquidated damages for
25 this breach of the Agreement.

26 **THIRD CAUSE OF ACTION**

27 (Against All Defendants for Breach of Contract)

28 35. Plaintiff realleges paragraphs 1-19, 21-28 and 30-34,

1 inclusive, and incorporates them herein by reference.

2 36. After Yanny's substitution into the Aznarans' case was
3 summarily vacated, Ford Greene was reinstated as Aznarans'
4 counsel of record. Ford Greene's law offices are located in San
5 Anselmo, California.

6 37. On or about August, 1991, Armstrong began working in
7 Ford Greene's office as a paralegal on the Aznarans' case. When,
8 thereafter, the Aznarans hired attorney John Elstead to represent
9 them as well, Armstrong provided paralegal services to Elstead as
10 well as Greene. Armstrong's employment in Greene's office has
11 continued to the present. Armstrong's activities constitute a
12 daily and continuing breach of his contract, rendering
13 plaintiff's bargain a nullity.

14 38. Plaintiff CSI has already incurred, and continues to
15 incur, damages as a direct and proximate result of Armstrong's
16 provision of aid to Greene in the Aznarans' case. Those damages
17 are not presently calculable and will cease only when Armstrong
18 is ordered to stop his improper conduct. In no event, however,
19 are they less than the jurisdictional minimum of this Court.
20 Consequently, for this breach plaintiff seeks compensatory and
21 consequential damages according to proof.

22 **FOURTH CAUSE OF ACTION**

23 (Against All Defendants for Breach of Contract)

24 39. Plaintiff realleges paragraphs 1-19, 21-28, 30-34 and
25 36-38, inclusive, and incorporates them herein by reference.

26 40. In addition to the paralegal services which Armstrong
27 has provided to Ford Greene and John Elstead on the Aznarans'
28 litigation, Armstrong also provided the Aznarans with a

1 declaration, dated August 26, 1991, and filed in the Aznarans'
2 case. In that declaration, Armstrong describes some of his
3 alleged experiences with and concerning plaintiff, and purports
4 to authenticate copies of certain documents. These actions and
5 disclosures are violations of paragraphs 7(G), 7(H) and 10 of the
6 Agreement, requiring that Armstrong pay to CSI \$50,000 in
7 liquidated damages.

8 41. Despite demand by plaintiff, Armstrong has failed and
9 refused to comply with the liquidated damages provision by paying
10 \$50,000 to plaintiff as demanded for this breach of the
11 Agreement.

12 **FIFTH CAUSE OF ACTION**

13 (For Breach of Contract Against Armstrong)

14 42. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-
15 38 and 40-41, inclusive, and incorporates them hereby reference.

16 43. On or about March 19, 1992, Armstrong, acting through
17 Ford Greene as his agent, transmitted a press release to various
18 members of the media, including the Cable News Network, San
19 Francisco Chronicle, San Francisco Examiner, and the Marin County
20 Independent Journal. A true and correct copy of the press
21 release is attached hereto as Exhibit B. Said press release
22 violated the Agreement in that it constituted disclosures by
23 Armstrong, through Ford Greene as his agent, of his experiences
24 with Scientology as prohibited by paragraph 2. The following are
25 the excerpts from the press release which violate paragraph 2:

26 a) "Can the Scientology organization purchase the
27 free speech rights of Gerald Armstrong-the former
28 in-house biographer researcher/archivist of cult
leader, L. Ron Hubbard..."

- 1 b) "A former high-ranking Scientologist for 12 years,
2 Armstrong split with the group when it insisted he
3 continue lying about the accomplishments Hubbard
4 claimed to the public at large."
5 c) "For years Scientology has treated Armstrong as a
6 'suppressive person' who was 'fair game.'"
7 d) "Armstrong is resisting Scientology's high-powered
8 attack in an effort to affirm his right to free
9 speech to maintain vigilance for the truth."
10 e) "(Scientology is) fabricating false scenarios in
11 other court proceedings that Armstrong was an
12 agent of the IRS out to destroy it."

13 44. In addition, the press release devotes an entire
14 paragraph to a description of the lawsuit resulting from the
15 Settlement Agreement and to a description of the Settlement
16 Agreement itself:

17 "After Armstrong beat Scientology's lawsuit
18 against him in 1984, he was poised to
19 prosecute his own claims. For millions of
20 dollars, however, in 1986 Scientology settled
21 with he and over 17 other Scientology
22 knowledgeable individuals on the condition
23 that those persons would forever keep silent,
24 avoid giving sworn testimony by evading
25 subpoenas, and never aid or assist anyone
26 adverse to Scientology."

27 The distribution of the press release violated the provisions of
28 paragraphs 7(D) and 18 of the Agreement.

29 45. By reason of the foregoing breach by Armstrong,
30 plaintiff is entitled to \$50,000 in liquidated damages and
31 compensatory damages not presently known but believed to be in
32 excess of the jurisdictional minimum of this Court.

33 SIXTH CAUSE OF ACTION

34 (For Breach of Contract by Armstrong)

35 46. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-
36 38, 40-41 and 43-45, inclusive, and incorporates them hereby by reference.

1 47. On or about March 19 and 20, 1992, Armstrong and
2 Greene, acting as Armstrong's agent, granted the media additional
3 interviews, which also violated paragraph 2 of the Agreement.
4 During the course of his interview with the Cable News Network,
5 for example, Armstrong stated, "I'm an expert in the
6 misrepresentations Hubbard has made about himself from the
7 beginning of Dianetics until the day he died." Attached hereto
8 and incorporated herein by reference as Exhibit C is a true and
9 correct transcription of the CNN broadcast which featured this
10 statement made voluntarily by Armstrong in a media interview.

11 48. By reason of the foregoing breach of the Agreement,
12 plaintiff is entitled to \$50,000 in liquidated damages.

13 **SEVENTH CAUSE OF ACTION**

14 (Against Armstrong for Breach of Contract)

15 49. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-
16 38, 40-41, 43-45 and 47-48, inclusive and incorporates them
17 herein by reference.

18 50. On or about February, 1992, Armstrong agreed to appear
19 voluntarily as an "expert witness" in litigation known as
20 Hunziker v. Applied Materials, No. 692629 S.C.S.C (the "Hunziker
21 case"). The alleged subject of his "expertise" was Scientology.
22 The defendants named in the Hunziker case include, inter alia,
23 World Institute of Scientology Enterprises, Inc., which is a
24 Scientology affiliated entity protected by the Agreement.

25 51. On or about February 21, 1992 and February 23, 1992,
26 Armstrong met voluntarily with James Rummond and John Elstead,
27 attorneys for the plaintiffs in the Hunziker case. During his
28 meetings with these attorneys, Armstrong discussed his alleged

1 history and experiences with plaintiff and with other Scientology
2 entities and individuals protected by the Agreement, and offered
3 to appear for the plaintiffs as an "expert" on the subject of
4 Scientology practices and beliefs.

5 52. On March 3, 1992, Armstrong voluntarily, and without
6 the issuance of a subpoena by anyone, appeared for deposition in
7 the Hunziker case and accepted a fee for his testimony from the
8 defendants in that case of \$1,000. During the course of the
9 deposition, which lasted for approximately four hours, Armstrong
10 testified at length concerning his alleged experiences with and
11 concerning plaintiff and other Scientology affiliated entities
12 and individuals protected by the Agreement, and concerning
13 knowledge and information which he claimed to have, concerning
14 plaintiff and other Scientology affiliated entities and
15 individuals.

16 53. During his deposition on March 3, 1992, Armstrong
17 produced documents which he claimed to have reviewed in
18 preparation for his testimony, in violation of paragraph 7(D) of
19 the Agreement.

20 54. On or about March 12, 1992, Armstrong again appeared
21 for deposition in the Hunziker case. This time, Armstrong
22 claimed that he had been given a deposition subpoena not by the
23 deposing attorney, but by attorney Elstead, and that Elstead had
24 "filled out" the subpoena earlier that morning. Armstrong
25 refused to produce a copy of the alleged subpoena, which had not
26 been served on any of the parties to the case. In fact,
27 Armstrong himself requested that Elstead issue him a subpoena on
28 Sunday, March 8, 1992, after a temporary restraining order was

1 issued in this case. On March 8, 1992, Armstrong delivered
2 additional documents to Elstead, again in violation of paragraph
3 7(D) of the Agreement.

4 55. Plaintiff learned in April, 1992, through review of the
5 aforesaid deposition transcript, that since the signing of the
6 Agreement, Armstrong had "taken it upon [him]self" to reacquire
7 documents which he had previously returned to plaintiff "from
8 whatever source." He produced many of those documents
9 voluntarily, first to Elstead on March 8, 1992, and then to
10 opposing counsel during the March 12, 1992 deposition.

11 56. These actions and disclosures are violations of
12 Paragraphs 7(D), 7(G), 7(H) and 10 of the Agreement, requiring
13 that Armstrong pay to CSI \$250,000 in liquidated damages.

14 **EIGHTH CAUSE OF ACTION**

15 (Against Armstrong for Breach of Contract)

16 57. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-
17 38, 40-41, 43-45, 47-48, 50-56, inclusive, and incorporates them
18 herein by reference.

19 58. On or about April 7, 1992, while testifying in the
20 matter known as Church of Scientology v. Yanny, (No. BC 033035),
21 Armstrong made the Settlement Agreement sued upon herein an
22 exhibit to the deposition transcript. Said action was a breach
23 of paragraph 18(D) of the Agreement which prohibits disclosure of
24 the contents of the Agreement.

25 59. By reason of the foregoing breach of the Agreement,
26 Plaintiff is entitled to \$50,000 in liquidated damages, together
27 with compensatory damages in an amount not presently known to
28 plaintiff but believed to be in excess of the jurisdictional

1 minimum of this court.

2 NINTH CAUSE OF ACTION

3 (Against Armstrong for Beach of Contract)

4 60. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-
5 38, 40-41, 43-45, 47-48, 50-56 and 58-59, inclusive, and
6 incorporates them herein by reference.

7 61. In breach of the provision of paragraph 7(E) of the
8 Agreement, Armstrong failed to return a letter written by L. Ron
9 Hubbard to the Federal Bureau of Investigation in 1955 and an
10 internal communication known as "Technical Bulletin."

11 62. In breach of the provisions of paragraph 7(H) of the
12 Agreement, Armstrong gave a declaration in the Aznaran litigation
13 on August 26, 1991 in opposition to a motion to exclude expert
14 testimony.

15 63. Said declaration attached as exhibits the two documents
16 referred to in paragraph 61 above, in breach of the provisions of
17 Paragraph 7(D) of the Agreement.

18 64. By reason of the breaches by Armstrong in paragraphs
19 7(E) and 7(H) of the Agreement, plaintiff has been damaged in an
20 amount not presently known but believed to be in excess of the
21 jurisdictional minimum of this Court.

22 65. By reason of the breach by Armstrong of paragraph 7(D)
23 of the Agreement, plaintiff is entitled to liquidated damages in
24 the amount of \$50,000.

25 TENTH CAUSE OF ACTION

26 (Against Armstrong for Breach of Contract)

27 66. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-
28 38, 40-41, 43-45, 47-48, 50-56, 58-59 and 61-65, inclusive, and

1 incorporates them herein by reference.

2 67. Plaintiff learned in March, 1992, that during 1990 and
3 1991, Armstrong voluntarily provided aid and advice to Bent
4 Corydon and to Corydon's attorney, Toby Plevin, in the conduct of
5 litigation against plaintiff and affiliated entities in the case
6 of Bent Corydon v. Church of Scientology International, et al.,
7 Los Angeles Superior Court Case No. C 694401.

8 68. Armstrong's voluntary provision of aid to Plevin to
9 work on Corydon's litigation is a direct violation of paragraphs
10 7(G) and 10 of the Agreement.

11 69. As a direct and proximate result of Armstrong's breach
12 of the Agreement by providing voluntary assistance to Plevin in
13 Corydon's litigation, plaintiff has incurred damages which are
14 not presently calculable. In no event, however, are they less
15 than the jurisdictional minimum of this Court. Consequently, for
16 this breach plaintiff seeks compensatory and consequential
17 damages according to proof.

18 ELEVENTH CAUSE OF ACTION

19 (Against Armstrong for Breach of Contract)

20 70. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-
21 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, inclusive,
22 and incorporates them herein by reference.

23 71. On May 27, 1992, after plaintiff's motion for
24 preliminary injunction in this matter had been argued, and while
25 a determination of that motion was still pending, Armstrong
26 voluntarily provided a declaration to Gary M. Bright and Jerold
27 Fagelbaum, attorneys for defendants David Mayo, Church of the New
28 Civilization, John Nelson, Harvey Haber, Vivien Zegel and Dede

1 Reisdorf in the consolidated cases of Religious Technology
2 Center, et al. v. Robin Scott, et al., and Religious Technology
3 Center, et al. v. Wollersheim, et al., United States District
4 Court for the Central District of California, Case Nos. CV 85-711
5 JMI (Bx) and CV 85-7197 JMI (Bx) (the "Scott case"). The
6 plaintiffs in the Scott case are plaintiff, Church of Scientology
7 International, Church of Scientology of California, and Religious
8 Technology Center, all entities specifically protected by the
9 Agreement.

10 72. In his May 27, 1992 declaration, Armstrong purports to
11 authenticate an earlier declaration which describes some of his
12 alleged experiences with and concerning plaintiff, as well as a
13 portion of a transcript which was ordered sealed in the earlier
14 action between plaintiff and defendant. These actions and
15 disclosures are violations of paragraphs 7(G), 7(H) and 10 of the
16 Agreement, requiring that Armstrong pay to CSI \$50,000 in
17 liquidated damages.

18 73. As a direct and proximate result of Armstrong's breach
19 of the Agreement by providing voluntary assistance to Bright and
20 Fagelbaum in the Scott case, plaintiff has incurred additional
21 damages which are not presently calculable. In no event,
22 however, are they less than the jurisdictional minimum of this
23 Court. Consequently, for this breach plaintiff also seeks
24 compensatory and consequential damages according to proof.

25 **TWELFTH CAUSE OF ACTION**

26 (Against All Defendants for Breach of Contract)

27 74. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-
28 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73,

1 inclusive, and incorporates them herein by reference.

2 75. Since August, 1991, Armstrong has worked as a paralegal
3 for attorney Ford Greene. Mr. Greene's practice consists
4 substantially of pressing claims by former Scientologists against
5 the plaintiff and other individuals and entities identified in
6 paragraph 1 as beneficiaries of the Agreement (collectively, "the
7 Beneficiaries").

8 76. Among Mr. Greene's clients who are pressing claims
9 against one or more of the Beneficiaries are Ed Roberts and
10 Denise Cantin.

11 77. While working in Mr. Greene's office, Armstrong
12 provided substantial paralegal assistance to Mr. Greene in the Ed
13 Roberts and Denise Cantin matters. In the case of Roberts, for
14 example, Armstrong went to Colorado and interviewed Roberts in
15 November, 1991, and has interviewed him at least seven times
16 since then. In December, 1992, Armstrong even made a settlement
17 demand to plaintiff's counsel on behalf of Roberts, without
18 bothering to go through Roberts' attorney, Mr. Greene.

19 78. Armstrong's employment by Greene to work on the Roberts
20 and Cantin matters is a direct violation of paragraphs 7(G) and
21 10 of the Agreement.

22 79. As a direct and proximate result of Armstrong's breach
23 of the agreement by providing paralegal assistance to Greene on
24 the Roberts and Cantin matters, plaintiff has incurred damages
25 which are not presently calculable. In no event, however, are
26 they less than the jurisdictional minimum of this Court.
27 Consequently, for this breach plaintiff seeks compensatory and
28 consequential damages according to proof.

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1 spoke with approximately fifty (50) people, and willingly
2 disclosed to them his claimed experiences with Scientology, in
3 violation of paragraphs 7(D) and 18 of the Agreement.

4 85. By reason of the foregoing breaches by Armstrong,
5 plaintiff is entitled to at least \$150,000 in liquidated damages,
6 and further liquidated damages subject to proof.

7 **FOURTEENTH CAUSE OF ACTION**

8 (For Breach of Contract Against All Defendants)

9 86. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-
10 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-79
11 and 81-85, inclusive, and incorporates them herein by reference.

12 87. On or about December 22, 1992, Armstrong sent a letter
13 to, inter alia, Malcolm Nothling, Ed Roberts, Lawrence
14 Wollersheim, Richard Aznaran, Vicki Aznaran, Richard Behar, Ford
15 Greene, Paul Morantz, Joseph A. Yanny, Toby L. Plevin, Graham E.
16 Berry, Stuart Cutler, Anthony Laing, John C. Elstead, Fr. Kent
17 Burtner, Margaret Singer, Cult Awareness Network and Daniel A.
18 Leipold. Each of these individuals or organizations is (a)
19 engaged in litigation against plaintiff and/or other
20 Beneficiaries; (b) an avowed adversary of plaintiff and/or other
21 Beneficiaries; and/or (c) an attorney who represents or has
22 represented litigants and/or adversaries of plaintiff and/or
23 other Beneficiaries. A true and correct copy of the letter sent
24 by Armstrong is attached hereto as Exhibit E. Said letter
25 violates the Agreement in that it contains purported disclosures
26 by Armstrong of his claimed experiences with Scientology as
27 prohibited by paragraph 7(D).

28 88. In addition, the letter devotes an entire section to a

1 description of the earlier action resulting from the breaches of
2 the Settlement Agreement and to a description of the Settlement
3 Agreement itself. The sending of the letter to plaintiff's
4 adversaries violated the provision of paragraph 7(D) of the
5 Agreement.

6 89. By reason of the foregoing breach of the Agreement,
7 plaintiff is entitled to \$950,000 in liquidated damages.

8 **FIFTEENTH CAUSE OF ACTION**

9 (Against All Defendants for Breach of Contract)

10 90. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-
11 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 71-73, 75-79, 81-85
12 and 87-89, inclusive and incorporates them herein by reference.

13 91. According to Armstrong, sometime between December 22,
14 1992 and March 10, 1993, he spoke at an event at which
15 approximately 30 to 40 people were present. At this event,
16 Armstrong spoke of, inter alia, his claimed experiences with
17 Scientology, in violation of at least paragraphs 7(D) and 18 of
18 the Agreement, and received monetary compensation for his speech.

19 92. By reason of the foregoing breach of the Agreement,
20 plaintiff is entitled to \$50,000 in liquidated damages.

21 **SIXTEENTH CAUSE OF ACTION**

22 (Against All Defendants for Breach of Contract)

23 93. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-
24 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 71-73, 75-79, 81-
25 85, 87-89, 91-92, inclusive, and incorporates them herein by
26 reference.

27 94. In or about June, 1993, Armstrong gave an interview to
28 one or more reporters from Newsweek magazine, which also violated

1 paragraph 7(D) of the Agreement. Plaintiff is informed, and
2 therefore believes, that during the course of his interview with
3 the Newsweek reporter(s), whose identity is known to defendants
4 but not to plaintiff, Armstrong stated that the Founder of the
5 Scientology faith, L. Ron Hubbard, wanted "rich Scientologists to
6 buy huge quantities of [The Way to Happiness] for distribution.
7 He wanted to go down in history as a scientist or a philosopher
8 or both." Attached hereto and incorporated herein by reference
9 as Exhibit F is a true and correct copy of the Newsweek article
10 which featured this statement made voluntarily by Armstrong in a
11 media interview. The provision of this interview by Armstrong
12 violated the provisions of paragraphs 2, 7(D) and 18 of the
13 Agreement.

14 95. By reason of the foregoing breach of the Agreement,
15 plaintiff is entitled to \$50,000 in liquidated damages.

16 **SEVENTEENTH CAUSE OF ACTION**

17 (Against All Defendants for Breach of Contract)

18 96. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-
19 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-
20 79, 81-85, 87-89, 91-92 and 94-95, inclusive, and incorporates
21 them herein by reference.

22 97. In or about August, 1993, Armstrong gave an interview
23 to one or more reporters from Entertainment Television, with the
24 intention that the reporters broadly republish the interview on
25 national television, which also violated paragraph 7(D) of the
26 Agreement. During the course of his interview with the
27 Entertainment Television reporter(s), whose identity is known to
28 defendants but not to plaintiff, Armstrong made statements

1 concerning his claimed experiences with Scientology. Further,
2 Armstrong provided to Entertainment Television a copy of a
3 manuscript entitled: "ONE HELL OF A STORY An Original Treatment
4 Written for Motion Picture Purposes Created and Written by Gerald
5 Armstrong" (hereinafter, "the treatment"). Plaintiff is informed
6 and believes that the treatment so provided includes detailed
7 descriptions of Armstrong's alleged experiences in and concerning
8 Scientology, including a description of Church scriptures which
9 are considered sacred and confidential by the Church. Portions
10 of the Armstrong interview and the treatment were shown on
11 Entertainment Television's "Entertainment Tonight" show on August
12 5, 1993. The provision of this interview and the treatment by
13 Armstrong to Entertainment Television violated the provisions of
14 at least paragraphs 7(D) and 18 of the Agreement.

15 98. By reason of the foregoing breach of the Agreement,
16 plaintiff is entitled to \$50,000 in liquidated damages.

17 **EIGHTEENTH CAUSE OF ACTION**

18 (Against All Defendants for Injunctive Relief)

19 99. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-
20 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-
21 79, 81-85, 87-89, 91-92, 94-95, 97-98, inclusive, and
22 incorporates them herein by reference.

23 100. In or about June 1993, defendant Armstrong caused the
24 formation of and became a director and officer of a Colorado
25 corporation which he called Fight Against Coercive Tactics, Inc.
26 ("FACTI"). One of the avowed purposes of this corporation is to
27 foment civil litigation against plaintiff and the other entities
28 and individuals protected by the Agreement. Armstrong formed

1 FACTI to implement his plan to foment such litigation.

2 101. Armstrong has established FACTI to create an electronic
3 "library" that would feature, inter alia, hundreds of documents,
4 declarations, exhibits and arguments prepared by Armstrong which
5 discuss and pertain to the Beneficiaries, and to attempt to
6 "shelter" these contractual breaches under a corporate name and
7 the rubric of First Amendment privilege.

8 102. Armstrong has provided an entire assortment of
9 documents to FACTI for its electronic library, including a copy
10 of the settlement agreement herein, scores of declarations, and
11 documents which Armstrong retained in violation of paragraph 7(E)
12 of the Agreement. Providing these documents to FACTI with the
13 intention that FACTI distribute them to others, including but not
14 limited to other litigants, is a breach of paragraphs 7(H) and
15 7(D) of the Agreement.

16 103. In or about January, 1994, Armstrong, using FACTI, sent
17 a mass mailing to an as yet unascertained number of people,
18 including members of the Scientology faith. In the mailing,
19 Armstrong exhorts recipients to bring civil actions against the
20 Church, stating that he is collecting negative information about
21 the plaintiff "to assist ongoing litigation." Further, Armstrong
22 requests the addresses of and ways to contact the family members
23 of senior Church executives, an action which is clearly intended
24 for the purpose of harassment.

25 104. To further the fomenting of litigation, the mailing
26 contains a list, based on rumor, falsehood and innuendo, of
27 persons supposedly harmed or injured by their belief in the
28 Scientology religion. Plaintiff is informed and believes that

1 Armstrong, using FACTI as his cover, provided that list to Graham
2 Berry, an attorney representing defendant Uwe Geertz in the case
3 of Church of Scientology International v. Steven Fishman, et al.,
4 United States District Court for the Central District of Los
5 Angeles, Case No. 91-6426 HLH (Tx), which Berry then used against
6 the Church in that action.

7 105. Armstrong's provision of assistance to Geertz and
8 scores of other as yet unidentified would-be litigants is a
9 direct violation of paragraphs 7(G) and 10 of the Agreement.

10 106. As a direct and proximate result of Armstrong's breach
11 of the agreement via FACTI, plaintiff has incurred damages which
12 are not presently calculable. In no event, however, are they
13 less than the jurisdictional minimum of this Court. Consequently,
14 for this breach plaintiff seeks compensatory and consequential
15 damages according to proof.

16 **NINETEENTH CAUSE OF ACTION**

17 (Against Armstrong for Breach of Contract)

18 107. Plaintiff realleges paragraphs 1-19, 21-28, 30 -34, 36-
19 38, 40-41, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-79, 81-
20 85, 87-89, 91-92, 94-95, 97-98, and 100-106, inclusive, and
21 incorporates them herein by reference.

22 108. On or about February 22, 1994, Armstrong voluntarily
23 provided a declaration to Graham E. Berry, Gordon C. Calhoun, and
24 the law firm of Lewis, D'Amato, Brisbois & Bisgaard, attorneys
25 for defendant Uwe Geertz in the case of Church of Scientology
26 International v. Steven Fishman and Uwe Geertz, United States
27 District Court for the Central District of California, Case No.
28 CV 91-6426 HLH (Tx). The declaration consists of a 14-page

1 discussion of his claimed experiences with and concerning
2 plaintiff.

3 109. In his February 22, 1994 declaration, Armstrong also
4 purports to authenticate a document which he titles "Find a
5 Better Basket," and which he claims is both a literary work and a
6 declaration. Armstrong further claims that "Find a Better
7 Basket" describes some of his alleged experiences with and
8 concerning plaintiff.

9 110. These actions and disclosures are violations of
10 paragraphs 7(G), 7(H) and 10 of the Agreement, requiring that
11 Armstrong pay to CSI \$50,000 in liquidated damages.

12 111. As a direct and proximate result of Armstrong's breach
13 of the Agreement by providing voluntary assistance to Berry and
14 Calhoun in the Fishman case, plaintiff has incurred additional
15 damages which are not presently calculable. In no event,
16 however, are they less than the jurisdictional minimum of this
17 Court. Consequently, for this breach plaintiff also seeks
18 compensatory and consequential damages according to proof.

19 **TWENTIETH CAUSE OF ACTION**

20 (Against All Defendants for Injunctive Relief)

21 112. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-
22 38, 40-41, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-79, 81-
23 85, 87-89, 91-92, 94-95, 97-98, 100-106 and 108-111, inclusive,
24 and incorporates them herein by reference.

25 113. On or about April 28, 1993, plaintiff learned that
26 Armstrong intended to appear that day on radio station KFAX and
27 disclose his claimed experiences with Scientology. Plaintiff's
28 counsel, Laurie Bartilson, faxed a letter to Armstrong and his

1 attorney, informing him that plaintiff would consider any such
2 appearance to be a violation of the Agreement, and would subject
3 Armstrong to the liquidated damages provision contained therein.
4 In response, Armstrong sent a letter to Ms. Bartilson which
5 stated, inter alia,

6 Your threat that you will subject me to the liquidated
7 damages provision of the settlement agreement for
8 appearing on KFAX is obscene. Even its inclusion in
the settlement agreement; that is \$50,000.00 per word I
write or speak about your organization is obscene....

9 In addition, Armstrong asserted that settlement agreements were
10 an "antisocial policy" of plaintiff. He stated that he would not
11 stop making media appearances and speeches, and that he had more
12 planned for the near future if plaintiff did not immediately
13 accede to his demands:

14 I expect to be doing various media appearances in the
15 near future and talks to various groups, including one
16 I have already agreed to with a university psychology
17 class. I think it would be very beneficial, therefore,
to resolve our differences as soon as possible by your
organization's clear repudiation of its antisocial
policies and practices, so that I can have good things
to report at these talks.

18
19 114. In or about June, 1993, Armstrong made good his
20 threats, and gave an interview to a reporter(s) from Newsweek
21 magazine, as described in paragraph 94, supra.

22 115. On July 2, 1993, again making good his threats,
23 Armstrong appeared in Los Angeles, California at the Los Angeles
24 Superior Court. He attended a hearing in the Wollersheim II
25 case, and afterwards gave an interview to a reporter who claimed
26 to be "working on a story," but refused to identify himself.

27 116. In or about August, 1993, Armstrong gave an interview
28 to reporters from Entertainment Television, as described in

1 paragraph 97, supra.

2 117. In or about August, 1993, Armstrong delivered to
3 Entertainment Television a motion picture "treatment" concerning
4 his experiences in and concerning Scientology, and told reporters
5 for Entertainment Television that he was trying to "sell" the
6 treatment, and have his claimed experiences portrayed in a motion
7 picture.

8 118. In his February 22, 1994 declaration, which Armstrong
9 provided to attorneys for litigant Uwe Geertz, Armstrong
10 purported to authenticate a document which he titles "Find a
11 Better Basket." Armstrong further claims that "Find a Better
12 Basket" supposedly describes some of his alleged experiences with
13 and concerning plaintiff is the treatment for a screenplay which
14 he hopes to sell. ;

15 119. As described in paragraphs 100-103, supra, Armstrong
16 has, in concert with others, created a computer bulletin board
17 which has as its purpose facilitating continuous breaches of the
18 Agreement by electronic means.

19 120. As a direct and proximate result of Armstrong's breach
20 of the Agreement by disclosing his experiences, by making media
21 appearances, by repeatedly providing assistance to litigants,
22 would-be claimants and their attorneys, and by creating and
23 operating FACTI, which breaches are persistent and continuing,
24 CSI is and will continue to be irreparably harmed, and unless
25 Armstrong and those acting in concert with him are preliminarily
26 and permanently enjoined from continuing that unlawful conduct,
27 further irreparable harm will be caused to CSI.

28 ///

ON THE FIRST CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.

2. For attorneys' fees and costs of suit.

ON THE SECOND CAUSE OF ACTION

1. For liquidated damages in the amount of \$50,000.

2. For attorneys' fees and costs of suit.

ON THE THIRD CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.

2. For attorneys' fees and costs of suit.

ON THE FOURTH CAUSE OF ACTION

1. For liquidated damages in the amount of \$50,000.

2. For attorneys' fees and costs of suit.

ON THE FIFTH CAUSE OF ACTION

1. For liquidated damages in the amount of \$50,000.

2. For compensatory and consequential damages according to proof.

3. For attorneys' fees and costs of suit.

ON THE SIXTH CAUSE OF ACTION

1. For liquidated damages in the amount of \$50,000.

2. For attorneys' fees and costs of suit.

ON THE SEVENTH CAUSE OF ACTION

1. For liquidated damages in the amount of \$250,000.

2. For attorneys' fees and costs of suit.

ON THE EIGHTH CAUSE OF ACTION

1. For liquidated damages in the amount of \$50,000.

2. For attorneys' fees and costs of suit.

ON THE NINTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.
2. For liquidated damages in the amount of \$50,000.
3. For attorneys' fees and costs of suit.

ON THE TENTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.
2. For attorneys' fees and costs of suit.

ON THE ELEVENTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.
2. For liquidated damages in the amount of \$50,000.
3. For attorneys' fees and costs of suit.

ON THE TWELFTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.
2. For attorneys' fees and costs of suit.

ON THE THIRTEENTH CAUSE OF ACTION

1. For liquidated damages of \$150,000, and further liquidated damages according to proof.
2. For attorneys' fees and costs of suit.

ON THE FOURTEENTH CAUSE OF ACTION

1. For liquidated damages in the amount of \$950,000.
2. For attorneys' fees and costs of suit.

ON THE FIFTEENTH CAUSE OF ACTION

1. For liquidated damages in the amount of \$50,000.
2. For attorneys' fees and costs of suit.

ON THE SIXTEENTH CAUSE OF ACTION

1. For liquidated damages in the amount of \$50,000.
2. For attorneys' fees and costs of suit.

ON THE SEVENTEENTH CAUSE OF ACTION

1. For liquidated damages in the amount of \$50,000.
2. For attorneys' fees and costs of suit.

ON THE EIGHTEENTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.
2. For attorneys' fees and costs of suit.

ON THE NINETEENTH CAUSE OF ACTION

1. For liquidated damages in the amount of \$50,000.
2. For compensatory and consequential damages according to proof.
3. For attorneys' fees and costs of suit.

ON THE TWENTIETH CAUSE OF ACTION

1. For a preliminary and permanent injunction prohibiting and restraining all defendants, including Armstrong, from violating any of the provisions of the Agreement, including the provisions of paragraphs 7(D), 7(E), 7(G), 7(H) and 18(D).

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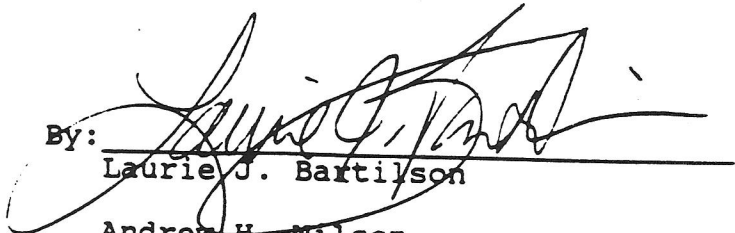
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ON ALL CAUSES OF ACTION

1
2 1. For such other and further relief as the Court may deem
3 just and proper.

4 DATED: April 4, 1994

BOWLES & MOXON

5
6
7 By: 

Laurie J. Bartilson

8 Andrew H. Wilson
9 WILSON, RYAN & CAMPILONGO

10 Attorneys for Plaintiff
11 CHURCH OF SCIENTOLOGY
12 INTERNATIONAL
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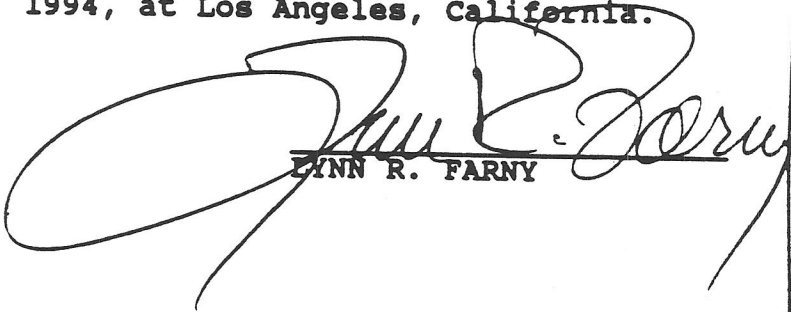
VERIFICATION

I, LYNN R. FARNY, declare as follows:

I am Secretary of the Plaintiff, Church of Scientology International, in the above-entitled matter. I have read the foregoing Verified Second Amended Complaint for Damages and for Preliminary and Permanent Injunctive Relief for Breach of Contract and know the contents thereof, which are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters, I believe them to be true.

I declare under the penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct.

Executed on April 4, 1994, at Los Angeles, California.



LYNN R. FARNY

1 Andrew H. Wilson
 2 WILSON, RYAN & CAMPILONGO
 3 235 Montgomery Street
 4 Suite 450
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ORIGINAL FILED

JAN 06 1993

**LOS ANGELES
 SUPERIOR COURT**

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
 16 FOR THE COUNTY OF LOS ANGELES

17 CHURCH OF SCIENTOLOGY)
 18 INTERNATIONAL, a-California not-for-profit)
 19 religious corporation,)

20 Plaintiff,

21 vs.

22 GERALD ARMSTRONG; DOES 1 through)
 23 25, inclusive,)

24 Defendants.)

CASE NO. BC 052395

NOTICE OF MOTION AND
 MOTION TO COMPEL ANSWERS
 TO DEPOSITION QUESTIONS
 AND THE PRODUCTION OF
 DOCUMENTS PURSUANT TO
 NOTICE OF DEPOSITION;
 MEMORANDUM OF POINTS AND
 AUTHORITIES, DECLARATION OF
 LAURIE J. BARTILSON IN
 SUPPORT THEREOF

DATE: February 19, 1993
 TIME: 8:30 a.m.
 DEPT: 30

DISCOVERY CUT-OFF: None
 MOTION CUT-OFF: None
 TRIAL DATE: May 3, 1992

25 TO DEFENDANTS GERALD ARMSTRONG AND THE GERALD ARMSTRONG
 26 CORPORATION AND THEIR COUNSEL OF RECORD:

27 PLEASE TAKE NOTICE that on February 19, at 8:30 a.m. or as soon
 28 thereafter as may be heard in Department 30 of the above-entitled Court, located
 at 111 North Hill Street, Los Angeles, California, plaintiff Church of Scientology

1 International ("CSI") will appear by their attorneys Wilson, Ryan and Campilongo
2 and Bowles and Moxon, and move this Court, pursuant to California Code of Civil
3 Procedure Section 2025(o) for an Order compelling defendant Gerald Armstrong
4 ("Armstrong") to answer certain questions propounded to him at his oral deposition
5 on June 24, July 22, October 7 and October 8, 1992, which Armstrong refused to
6 answer, and for an order compelling defendants Armstrong and The Gerald
7 Armstrong Corporation to produce for inspection and copying documents properly
8 requested pursuant to notice of deposition and subpoena duces tecum.

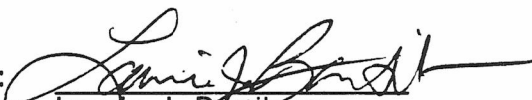
9 Plaintiff moves this Court to compel answers to those certain deposition
10 questions, and to compel the production of documents, on the grounds that no
11 objections interposed to such questions and requests are proper or applicable under
12 the facts and law, and the objections are otherwise unmeritorious.

13 This Motion is based upon this Notice of Motion and Motion, the
14 accompanying Memorandum of Points and Authorities, the files on record in this
15 case, the transcript of the deposition of Mr. Armstrong, and such other and further
16 evidence as may properly come before this Court at the hearing of this matter.

17 Dated: January 6, 1993

Respectfully submitted,

18 BOWLES & MOXON

19 By: 
20 Laurie J. Bartilson

21 Attorneys for Plaintiff
22 CHURCH OF SCIENTOLOGY
23 INTERNATIONAL
24
25
26
27
28

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MEMORANDUM OF POINTS AND AUTHORITIES**I. INTRODUCTION**

After literally months of delay, defendant Gerald Armstrong ("Armstrong" or "defendant") finally appeared for deposition, only to refuse to answer highly relevant questions for reasons which ranged from frivolous claims of privilege to pure whimsy. After subjecting plaintiff Church of Scientology International's ("CSI" or "plaintiff") counsel to his bantering disregard for the judicial process, Armstrong refused to meet and confer or even respond to CSI's efforts to resolve the disputes and return to deposition. Moreover, rather than respond properly to the requests for documents which accompanied the multiple notices of deposition plaintiff was required to propound, Armstrong insisted that he would not produce any documents unless plaintiffs paid him \$3,525 for his labor in searching for them, together with copying costs of \$1,500. Plaintiff accordingly brings this motion to compel.

II. STATEMENT OF FACTS

This is a breach of contract action filed by CSI in February, 1992, in an effort to obtain the consideration for which it had bargained with Armstrong in December, 1986. In 1986, Armstrong accepted a substantial amount in settlement of pending litigation, and, in turn, signed a settlement agreement which required him to perform certain acts and refrain from performing others. Armstrong agreed, inter alia, to refrain from aiding or assisting others engaged in litigation, or contemplating litigation, with CSI or any related entities or individuals. [Ex. A, Settlement Agreement, ¶ 7G and 7H] On May 28, 1992, this Court entered an order of preliminary injunction which held in relevant part:

Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of this court from doing directly or indirectly any of the following:

Voluntarily assisting any person (not a governmental organ or

1 entity) intending to make, intending to press, intending to arbitrate, or
2 intending to litigate a claim against the persons referred to in sec. 1.
3 of the "Mutual Release of All Claims and Settlement Agreement" of
December 1986 regarding such claim or regarding pressing, arbitrating
or litigating it.

4 Voluntarily assisting any person (not a governmental organ or
5 entity) arbitrating or litigating a claim against the persons referred to in
6 sec. 1 of the "Mutual Release of All Claims and Settlement
Agreement" of December, 1986.¹

7 Exhibit B.

8 In June, 1992, CSI amended the complaint. It presently includes 12 counts
9 of breach of contract, 8 of which involve claims for liquidated damages,² and all
10 of which allege a continuing course of conduct which renders necessary the
11 imposition of a permanent injunction.

12 Even before the amendment of the complaint, CSI moved expeditiously into
13 discovery, only to be met with delay and obstruction by Armstrong and his
14 counsel. Armstrong's refusals, first to appear, then to answer substantive
15 questions or produce documents, are as follows:

16 ✱ On March 6, 1992 Armstrong was served with a notice of deposition,
17 with the deposition scheduled to take place on March 18, 1992. [Ex. D, Notice]
18 Plaintiff sought that deposition prior to the hearing on its motion for preliminary
19 injunction, which was scheduled for March 20, 1992. Later on March 6,
20 Armstrong served a notice of deposition for a non-party, also scheduled for March

21 ¹ Armstrong filed a notice of appeal of this order on July, 23, 1992, but has
22 yet to file or serve his opening brief. On December 31, 1992, an Order to Show
23 Cause re: Contempt was issued against Armstrong by the Court for six separate
24 breaches of the injunction which CSI had documented. [Ex. C] The contempt trial
is presently set for February 16, 1993, in Department 86.

25 ² Pursuant to the Settlement Agreement, Armstrong is prohibited from
26 discussing his alleged experiences while a member of the Scientology faith with
27 anyone, including the media, and from providing them with documents. [Ex. A, ¶
28 D] In addition to aiding adverse litigants, the Amended Complaint alleges that
Armstrong has repeatedly and openly breached this paragraph of the agreement,
rendering him liable to \$50,000 in liquidated damages for each such breach.

1 18, 1992. [Ex. E, Notice] On March 9, 1992, Armstrong cancelled the deposition
2 that he had noticed, and refused to appear for his own deposition on the 18th,
3 now claiming that he could not be available. [Ex. F, Letter from Ford Greene]
4 Multiple efforts to obtain even a half-day deposition of Mr. Armstrong prior to the
5 March 20 hearing proved unavailing. [Ex. G, Wilson Letter of March 9; Ex. H,
6 Wilson Letter of March 13; Ex. I, Wilson Letter of March 17]

7 ✧ On March 23, 1992, CSI again noticed Armstrong's deposition, this
8 time for April 3, 1992. [Ex. J] On April 1, 1992, Armstrong again unilaterally
9 refused to appear for deposition, claiming that he did not have to appear because
10 the case had been transferred to the Los Angeles Superior Court, but did not yet
11 have a judge. [Ex. K, Letter of April 1, 1992]

12 ✧ On April 16, 1992, CSI again noticed Armstrong's deposition for May
13 7, 1992. [Ex. L] Two days before the scheduled date, Armstrong raised an
14 untimely objection, claiming that the notice had inadvertently left out the time for
15 the commencement of the deposition, and refused to appear. [Ex. M, Objection;
16 Ex. N, Wilson Letter of May 6, 1992]

17 ✧ On June 2, 1992, CSI noticed Armstrong's deposition a fourth time,
18 this time for June 15, 1992. [Ex. O, Notice] CSI also subpoenaed the Gerald
19 Armstrong Corporation³ for deposition and production of documents on June 24,
20

21 ³ According to Armstrong, the Gerald Armstrong Corporation "possesses a
22 number of Gerald Armstrong's artistic and literary works, possesses rights to a
23 number of his inventions and rights to certain formulas, and is in the business of
24 bringing peace and exploiting its assets for commercial and peaceful purposes."
25 [GA Depo. Vol. II, p. 266:15-20] Armstrong is its president; he claims also to be
26 "the senior baker" and "the senior vice president for contests and awards." [Id.
27 265:25-266:5] In deposition Armstrong refused to identify any shareholders in the
28 corporation other than himself and CSI's former attorney, Joseph A. Yanny. He
has admitted that the corporation holds more than 3,000 pages of documents
belonging to Armstrong, potentially relevant to matters at issue in this lawsuit,
which he has refused to produce. Armstrong is an officer and director of the
corporation, and its only employee. The corporation has not received any money
in exchange for its services or assets since 1990. [GA Depo. Vol. IV, p.471:4-15]

1 1992. [Ex. P] Armstrong refused to appear on June 15, but finally agreed to
2 appear on June 24, 1992. His counsel initially agreed to produce responsive
3 documents prior to the commencement of the deposition, provided that CSI
4 covered the cost of copying the documents. [Ex. Q, Greene Letter of June 10]

5 ✱ On June 12, Armstrong wrote to CSI's counsel, claiming to be doing
6 so on behalf of the Armstrong Corporation, and stated that the "archives" of the
7 Armstrong Corporation contained thousands of pages of rare and valuable works,
8 requiring hours of labor to comply with CSI's document request. He demanded
9 that CSI pay him \$3,525, in advance, before he would begin any search through
10 the "archives" to find documents relevant to the issues in this litigation. [Ex. R]
11 CSI's counsel responded by informing Armstrong that his demand was improper,
12 and offering to pay for any copies at \$0.15 per page. [Ex. S, Wilson Letter of
13 June 17] On June 19, Armstrong wrote again, this time refusing to produce any
14 documents from the claimed massive archives because he didn't want to give any
15 additional documents to CSI. [Ex. T] On June 20, Armstrong reversed himself yet
16 again, claiming that he now had 3,000 pages of documents which he was ready to
17 produce, but that CSI would have to pay \$0.50 per page, in advance, or \$1,500,
18 before he would produce them. [Ex. U] All offers by plaintiff's counsel that
19 Armstrong (1) bring the original documents to the deposition, to be copied under
20 his watchful eye at plaintiff's counsel's office; (2) send the documents to a
21 commercial copying service to be copied, which plaintiff would pay directly; or (3)
22 accept a reasonable \$0.15 per page copying expense were rebuffed. [Ex. V,
23 Wilson Letter of June 23] Additionally, Armstrong served written "responses" to
24 the notices in which he objected to virtually all of the categories of documents.
25 [Ex. W, X] Armstrong produced no documents, whether as himself or as the

26 _____
27 When Armstrong made plain that he was using the corporation, inter alia, as a
28 document depository, and a vehicle for aiding adverse litigants, the corporation
was named as a Doe defendant.

1 Armstrong Corporation, and has not to this day.

2 ✧ Armstrong appeared for an initial day of deposition on June 24, 1992,
3 and left at 4:30, refusing to resume the next day, and tentatively rescheduling for
4 June 30. [GA Depo., Vol. I, pp. 174-178]⁴

5 ✧ On June 29, Armstrong informed CSI that he would not appear for
6 deposition on June 30 because the Armstrong Corporation was now a defendant in
7 the case, and he was "looking for counsel." [Ex. Y, Wilson Letter of June 30] The
8 deposition was rescheduled for July 21 and 22. [Ex. Z] Armstrong "forgot" to
9 appear on July 21. [Ex. AA] When he appeared on July 22, he and the corporation
10 were both represented by Mr. Greene. After a short day of deposition, they left,
11 again without providing any definite dates on which they would reappear. [GA
12 Depo., Vol. II, pp. 291 - 293].

13 ✧ Armstrong finally reappeared for deposition on October 7 and 8, but
14 refused to answer dozens of relevant questions concerning matters alleged in the
15 complaint. [GA Depo., Vol. III and IV, passim]

16 ✧ On December 23, plaintiff's counsel wrote to Armstrong's counsel,
17 identifying all of the questions which Armstrong improperly refused to answer, and
18 requesting that counsel meet and confer or produce Armstrong, again, to answer
19 the questions, and produce the documents. [Ex. BB] Plaintiff's counsel received
20 no response. [Declaration of Laurie J. Bartilson]

21 **III. ARGUMENT**

22 **A. Armstrong Is Required to Answer Questions Concerning** 23 **His Work on the Aznaran Case**

24 A central allegation in CSI's complaint is Armstrong's assistance via Ford
25 Greene to anti-Church litigants Richard and Vicki Aznaran. Id. Before the instant

26
27 ⁴ References to the deposition of Gerald Armstrong, which are in four volumes,
28 appear as "GA Depo., Vol. ___, pp. ___ - ___". The entire deposition transcripts are
lodged with the Court for easy reference.

1 litigation was started, Armstrong obtained employment in the offices of the
2 Aznarans' attorneys (first Joseph Yanny, then Ford Greene), and provided them
3 with assistance in the case of Vicki Aznaran and Richard Aznaran v. Church of
4 Scientology International, et al., U.S. District Court, Central District of California
5 No. CV-88-1786-JMI(Ex). [Amended Complaint, ¶¶ 18-25 - 33-35] Armstrong
6 was enjoined from continuing to provide this assistance by the Court's May, 1992
7 order. Armstrong's provision of aid to the Aznarans is thus a central factual
8 question raised by the complaint, and prohibited both by the underlying settlement
9 agreement and the injunction.

10 Nonetheless, in deposition, Armstrong refused to answer questions
11 concerning his provision of aid to the Aznarans. The questions which counsel
12 asked of Mr. Armstrong, and which obviously and directly address the issues of
13 whether or not Mr. Armstrong has, is and intends to continue to aid the Aznarans,
14 are set forth in the concurrently filed Separate Statement of Questions Which
15 Armstrong Should Be Compelled to Answer.⁵ These questions included such
16 basic questions as, "Mr. Armstrong, since your last deposition, on July 22, 1992,
17 in this case, have you performed any work at all for Mr. or Mrs. Aznaran
18 concerning their litigation presently pending in the Northern District of Texas?" and
19 "Are you presently, in your capacity as a paralegal in Mr. Greene's office, doing
20 work in the Aznaran case?"

21 Mr. Greene instructed Mr. Armstrong not to answer these questions,
22 claiming that the attorney-client privilege and the work product doctrine protected
23 discovery into these areas. These objections, however, are inapplicable to the
24 questions asked.

25 Pursuant to Evidence Code §954, a client has a privilege to refuse to
26

27 ⁵ These questions are set forth in the concurrently filed Separate Statement of
28 Questions and Requests for Inspections of Documents to Be Compelled ("Separate
Statement"), Question Nos. 1-16.

1 disclose, and to prevent another from disclosing, a confidential communication
2 between client and lawyer. A confidential communication between client and
3 lawyer "means information transmitted between a client and his lawyer in the
4 course of that relationship and in confidence by a means which . . . discloses the
5 information to no third persons other than those who are present to further the
6 interests of the client. . . ." Evid. C. §952. Thus, the fundamental requirement for
7 the attorney-client privilege to apply is that the question seek to discover the
8 content of an attorney-client communication. The privilege may not be used to
9 and does not conceal everything which refers to or is said and done in connection
10 with legal representation. E.g., Coy v. Superior Court (1962) 58 Cal.2d 210, 219-
11 220, 23 Cal.Rptr. 393, 397-398 (date on which conversations between client and
12 attorney occurred is not "a matter within the purview of attorney-client privilege,
13 although it 'refers' to that relationship" and interrogatory questions concerning
14 date of communication with attorney should be answered).

15 So, here, no attorney-client privilege can attach, on behalf of the Aznarans,
16 to questions such as the last date on which Armstrong did any work for Mr.
17 Greene's office on the Aznaran case [G.A.Depo. Vol. III, pp. 391:10-392:16];
18 whether Armstrong assembled documents for the purpose of faxing them to the
19 Aznarans [G.A.Depo. Vol IV, pp. 449:5-11]; whether Armstrong has been
20 instructed by his employer not to work on the Aznarans' file [Id. 450:2-19]; or
21 whether Armstrong performed actions in Mr. Greene's office which assisted the
22 Aznarans in their litigation [G.A.Depo. Vol. III, pp. 335:25-336:18; 337:7-23;
23 391:10-392:16].

24 Nor can the limited work product privilege apply to these questions.
25 Pursuant to C.C.P. §2018, the "work product of an attorney is not discoverable
26 unless the court determines that denial of discovery will unfairly prejudice the party
27 seeking discovery in preparing that party's claim or defense or will result in an
28 injustice." Only writings which reflect "an attorney's impressions, conclusions,

1 opinions or legal research or theories" are completely protected from discovery.

2 In this case, the questions asked of Armstrong in deposition do not probe
3 into Mr. Greene's work product at all; they certainly have nothing to do with his
4 writings. The questions seek to establish whether or not Armstrong has breached
5 the agreement and the injunction by aiding the Aznarans. They do not probe the
6 content of any writings, nor have they asked for production of work generated by
7 either Armstrong or Greene on the case. Indeed, the only questions asked which
8 specifically pertain to matters at issue in the Aznaran case were questions which
9 sought to ascertain the degree of Armstrong's participation in the preparation of
10 materials that were filed in that case, and are thus part of the public record.

11 Under these circumstances, Armstrong should be ordered to return to
12 deposition, and to answer fully and completely Questions 1 - 16 set forth in the
13 accompanying Separate Statement, along with any relevant follow-up questions
14 which those answers may generate.

15 **B. Armstrong Must Be Required To Answer Questions Concerning**
16 **Armstrong's Continuing Provision Of Assistance To Other Litigants**

17 The Aznarans are not the only litigants against the plaintiff that Armstrong
18 has aided, despite the agreement and court order which prohibit him from doing
19 so. Armstrong has also admitted to providing aid to numerous litigants and
20 claimants against CSI or other persons and entities protected by the agreement and
21 the order, including Bent Corydon, Tillie Good, Ed Roberts, Richard Behar and
22 Denise Cantin. However, all efforts to ascertain the timing and extent of the aid
23 provided to these people by Armstrong were met with claims of attorney-client and
24 work product privilege.⁶ As with the questions concerning the Aznarans, these
25 questions do not seek the content of the communications between client and
26 lawyer, but the dates and facts concerning Armstrong's breach of contract.

27 ⁶ The relevant questions are Question Nos. 17-29 in the
28 Separate Statement.

1 Armstrong should be ordered to return to deposition, and respond to these
2 questions in full.

3
4 **C. Armstrong Must Be Required To Answer Questions Concerning the**
5 **Amount Armstrong Received in Settlement**

6 Armstrong claims, as an affirmative defense, that the consideration which he
7 received pursuant to the settlement agreement was inadequate. [Amended
8 Answer, Aff. Def. No. 19] The agreement itself provided that a lump sum amount
9 would be given to Armstrong's attorney, for the settlement of multiple cases, and
10 that Armstrong's attorney would be responsible for ensuring that Armstrong was
11 paid an adequate amount. [Ex. A,

12 ¶ 3] CSI was not made privy to this transaction between Armstrong and his
13 attorney. Accordingly, to counter this defense, CSI must discover from Armstrong
14 the amount that he was actually paid.

15 Armstrong has told the media how much he was paid in settlement [Ex. CC];
16 he adopted fully the briefing and exhibits filed by Joseph Yanny in this action
17 which included documentation and argument asserting that Mr. Armstrong
18 received \$800,000 in settlement. Nonetheless in deposition Armstrong refused to
19 testify as to how much he received, claiming he wanted to "honor" an
20 "agreement" not to disclose the amount. Plaintiff requests that Armstrong be
21 compelled to admit the amount in a verified writing or return to deposition and
22 answer the question under oath.

23 Similarly, Armstrong refused to testify as to what he had done with the
24 proceeds. The agreement includes a trust placed on that amount to guarantee the
25 payment of liquidated damages in the event of breach. Plaintiff is entitled to full
26 disclosure of Mr. Armstrong's wastrel activities and conveyances in order to secure
27 the judgment to which they are entitled. Therefore, plaintiff requests that
28 Armstrong be required to return to deposition and fully respond to all of the

1 remaining unanswered questions concerning his disposition of the settlement
2 proceeds.⁷

3 **D. Armstrong Must Be Required To Answer Questions Concerning His**
4 **Discussions With Michael Walton About the Settlement**

5 Armstrong has claimed as a defense to this action that his own attorneys
6 told him that the agreement was unenforceable before he signed it. [Amended
7 Answer, ¶ 86] Armstrong has testified that he discussed the settlement
8 agreement with one of those attorneys, Michael Walton, before he signed the
9 agreement. Although Armstrong has previously and specifically waived any
10 attorney-client privilege concerning his discussions with attorneys about the
11 settlement agreement [Ex. DD, Armstrong Declaration, ¶ 3], he refused to answer
12 any questions about this conversation based on the attorney-client privilege.
13 [Separate Statement, Question 36] This is patent abuse of the discovery process.
14 Once waived, the privilege cannot be resurrected at a party's whim. Armstrong
15 should be compelled to return to deposition immediately and respond to a full
16 inquiry as to his conversation(s) with Mr. Walton concerning the settlement
17 agreement.

18 **E. Armstrong Should Be Required To Produce Documents**

19 Both Armstrong and the Gerald Armstrong Corporation have admitted to the
20 possession of many documents, non-privileged, which are responsive to the
21 document requests which accompanied the notices of deposition, but have refused
22 to produce them for inspection and copying. The documents requested include
23 things such as correspondence between Armstrong and others which concern or
24 refer to CSI and the other protected entities and individuals [Request to Armstrong
25 Nos. 13, 14, 16, 17, 18, 19, 26, 27; Request to Armstrong Corporation Nos. 4, 5,
26 7, 8, 10, 11, 13, 14, 16, 17, 19, 20, 21, 22, 24, 25, 27, 28, 29, 30]; books or
27 manuscripts written by Armstrong which relate or refer to his experiences with

28 ⁷ These questions are Question Nos. 30 - 35.

1 Scientology [Request to Armstrong No. 29; Request to Armstrong Corp. No. 32];
2 and documentation concerning the payment to Armstrong of money or wages for
3 his work as a paralegal in cases in which CSI and related entities are opposing
4 parties [Request to Armstrong No. 30; Request to Armstrong Corporation Nos.
5 33]. All of these requests are plainly and directly related to discovery of the extent
6 of Armstrong's breaches of the agreement. The requested documents represent
7 evidence of Armstrong's breach of his agreements not to discuss his experiences,
8 not to publish articles, books or materials concerning his experiences or aid others
9 in doing so, and not to voluntarily provide assistance to persons litigating or
10 seeking to litigate against the protected entities and individuals.

11 Defendants' response to these valid requests has been to make a mockery
12 of the discovery process. As described in Part II, supra, Armstrong first sought to
13 charge CSI thousands of dollars before he would even begin to look for any
14 documents. Next, he refused to produce any documents at all for inspection,
15 claiming that he had over 3,000 pages that he was willing to produce, but only if
16 CSI paid him \$1,500 in advance for copying.⁸ He has refused all reasonable
17 offers of compromise. In addition, both defendants have raised a panoply of
18 objections in response to nearly every document request, claiming that additional
19 documents exist, but are privileged. Contrary to the requirements of C.C.P.
20 §2031(f)(3), defendants have not produced a privilege log identifying these
21 documents, so CSI is not able to ascertain whether there is any merit to any of the
22 claims of privilege. Indeed, most of the claims appear to be boilerplate of the most
23 nonsensical sort. For example, Request No. 19 asks for all correspondence which
24 Armstrong sent to the attorneys for defendants in the case of Hunziker v. Applied
25

26 ⁸ Armstrong seeks to charge CSI for the copying of documents at more than
27 three times the customary rate of \$0.15 per page. In addition, he has refused to
28 allow CSI to examine the documents prior to copying so that CSI can designate
those documents it actually wishes to have copied.

1 Materials, a case in which Armstrong voluntarily appeared for deposition as an
2 "expert witness" for plaintiff Hunziker on the subject of his experiences as a
3 member of the Scientology religion. [Amended Complaint, ¶¶ 47 - 53] Armstrong
4 claims that this request violates the attorney work product privilege, the "joint
5 defense" privilege, the "first amendment free speech" privilege, the "First
6 Amendment religious liberty" privilege, and the "privacy" privilege. It is difficult to
7 imagine how any correspondence which Armstrong, a witness hired by a plaintiff,
8 sent to the attorneys for a defendant, could possibly qualify for any of these
9 privileges. It is also hard to imagine how such correspondence could be
10 "obtainable [by CSI] from some other source," since CSI was not a party to that
11 litigation, or how it could be "unduly burdensome and expensive" for Armstrong to
12 produce whatever correspondence in the matter he has. Yet these are precisely
13 the objections raised to this, and 15 other requests, all similarly specific to possible
14 instances of breach by Armstrong, all relevant, and none obviously privileged. The
15 demands and the objections are set forth specifically in the accompanying Separate
16 Statement.

17 Accordingly, CSI requests that defendants be ordered to produce, forthwith,
18 for inspection and copying, all documents responsive to the demands set forth in
19 the Separate Statement to which they do not claim a privilege, including but not
20 limited to the 3,000 pages which Armstrong has already admitted exist, together
21 with a log, pursuant to C.C.P. §2031(3)(f), "identify[ing] with particularity any
22 document . . . falling within any category of item in the demand to which an
23 objection is being made," and "set[ting] forth clearly the extent of, and the specific
24 ground for, the objection."⁹

25
26
27 ⁹ CSI will, of course, require an opportunity following the provision of such a
28 log to move to compel further the production of any documents which are logged
but for which a privilege is disputed.

IV. CONCLUSION

Armstrong and his counsel have improperly obstructed the discovery process in this litigation. No bona fide reasons have been advanced for Armstrong's and his counsel's flagrant disregard for the judicial process. While under oath, Armstrong and his counsel have purposely thwarted the taking of his deposition and have advanced frivolous objections to legitimate, highly relevant questions, honest answers to which would plainly damn Armstrong. In utter disregard of the Code of Civil Procedure, Armstrong and his counsel have further blocked every effort by plaintiff to obtain inspection of relevant documents which will obviously prejudice Armstrong's case. Plaintiff accordingly requests the Court to compel Armstrong to return to deposition, answer each and every question set forth in the accompanying Separate Statement, together with any necessary follow-up questions, and to produce, forthwith, for inspection and copying, all documents responsive to the demands set forth in the Separate Statement to which they do not claim a privilege, including but not limited to the 3,000 pages which Armstrong has already admitted exist, together with a log, pursuant to C.C.P. §2031(3)(f) of all documents to which Armstrong claims a privilege, with leave for plaintiff to file further motions to compel or for sanctions as necessary to obtain discovery.

Dated: January 6, 1993

Respectfully submitted,

BOWLES & MOXON

By:


Laurie J. Bartison

Attorneys for Plaintiff CHURCH OF
SCIENTOLOGY INTERNATIONAL

3781

DECLARATION OF LAURIE J. BARTILSON

I, LAURIE J. BARTILSON, hereby declare:

1. I am an attorney licensed to practice law in the courts of the State of California and am one of the counsel of record in the instant action. I have personal knowledge of the facts set forth below and if called upon to do so, I could and would competently testify thereto.

2. On June 24, October 7 and October 8, 1992, a paralegal from my firm and I flew to San Francisco, California, to attend the deposition of defendant Gerald Armstrong. The deposition was held at the offices of my co-counsel Andrew Wilson, of Wilson, Ryan & Campilongo. Mr. Armstrong was represented in his four days of deposition by his attorney of record, Ford Greene.

3. Throughout the course of the deposition, Mr. Greene obstructed the proceedings, made numerous frivolous objections, and occasionally refused to articulate his grounds for instructing Mr. Armstrong not to answer deposition questions. Mr. Wilson and I attempted to amicably settle these disputes and complete the deposition, but Mr. Greene was uncooperative and refused to attempt any compromise.

4. On December 23, 1992, I wrote to Mr. Greene, outlining the areas of questions in Mr. Armstrong's deposition on which I felt Mr. Armstrong had improperly refused to testify. In this letter I attempted by meet and confer to come to a resolution with Mr. Greene of the discovery disputes that arose in Mr. Armstrong's deposition. This letter was transmitted to Mr. Greene's office by U.S. mail and facsimile transmission. To date I have never received a reply to this letter

///

///

///

///

///

1 from Mr. Greene.

2 I declare under penalty of perjury under the laws of the State of California
3 that the foregoing is true and correct.

4 Executed on January 6, 1993, at Los Angeles, California.

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7 Laurie J. Bartilson
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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, CA 90028.

On January 6, 1993, I served the foregoing document described as NOTICE OF MOTION AND MOTION TO COMPEL ANSWERS TO DEPOSITION QUESTIONS AND THE PRODUCTION OF DOCUMENTS PURSUANT TO NOTICE OF DEPOSITION; MEMORANDUM OF POINTS AND AUTHORITIES, DECLARATION OF LAURIE J. BARTILSON IN SUPPORT THEREOF on interested parties in this action as follows:

☐ by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

☒ by placing ☐ the original ☒ a true copy thereof in a sealed envelope addressed as follows:

Ford Greene
Hub Law Offices
711 Sir Francis Drake Boulevard
San Anselmo, CA 94960-1949

☒ BY MAIL -- I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

Executed on January 6, 1993, at Los Angeles, California.

☐ BY PERSONAL SERVICE -- I delivered such envelopes by hand to the offices of the addressee.

Executed on _____, at Los Angeles, California.

☒ (State) I declare under penalty of the laws of the State of California that the above is true and correct.

☐ (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

PAUL BENDT
Type or Print Name


Signature

Andrew H. Wilson
 WILSON, RYAN & CAMPILONGO
 235 Montgomery Street
 Suite 450
 San Francisco, California 94104
 (415) 391-3900

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JAN - 7 1993

**LOS ANGELES
 SUPERIOR COURT**

Laurie J. Bartilson
 BOWLES & MOXON
 6255 Sunset Boulevard, Suite 2000
 Hollywood, CA 90028
 (213) 661-4030

Attorneys for Plaintiff
 CHURCH OF SCIENTOLOGY INTERNATIONAL

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
 FOR THE COUNTY OF LOS ANGELES**

CHURCH OF SCIENTOLOGY	)	CASE NO. BC 052395
INTERNATIONAL, a California not-for-profit	)	
religious corporation,	)	SEPARATE STATEMENT OF
	)	DEPOSITION QUESTIONS AND
	)	REQUESTS FOR INSPECTION OF
	)	DOCUMENTS TO BE COMPELLED
Plaintiff,	)	
	)	[FILED CONCURRENTLY WITH
vs.	)	MOTION TO COMPEL]
	)	
	)	DATE: February 19, 1993
GERALD ARMSTRONG; DOES 1 through	)	TIME: 8:30 a.m.
25, inclusive,	)	DEPT: 30
	)	
	)	DISCOVERY CUT-OFF: None
Defendants.	)	MOTION CUT-OFF: None
	)	TRIAL DATE: May 3, 1992

THE QUESTIONS AT ISSUE

On June 24, October 7, and October 8, 1992, plaintiff, who was represented by Andrew J. Wilson of Wilson, Ryan & Campilongo, and Laurie J. Bartilson of Bowles & Moxon, took the deposition of Gerald Armstrong. Mr. Armstrong refused to answer many questions, and also refused to produce any documents. The Following questions or requests were posed to Mr. Amrstrong with his refusal to testify and/or produce documents:

A. DEPOSITION QUESTIONS CONCERNING ARMSTRONG'S WORK ON THE

AZNARAN CASE

QUESTION NO. 1:

Q. So the court reporter has handed you an 11 page document with an Aznaran case caption, titled "Declaration of Gerald Armstrong in Opposition of Motion to Exclude Expert Testimony," and marked as Exhibit 11, and I would like you to take a look at it, please.

A. Did you ever read "Fear"?

Q. No. Mr. Armstrong, have you had an opportunity to review the two-page declaration that is the beginning of Exhibit 11?

A. Yes.

Q. Did you also --

A. Hold on a minute.

MR. GREENE: Hold it. Any responses having to do with any communications that occurred in my office, between you and me or otherwise, I'm instructing you not to answer. You can authenticate this document, but as to its preparation, do not answer questions.

MS. BARTILSON: I can't ask him if he drafted this declaration?

MR. GREENE: You can ask him. I'm going to instruct him not to answer.

MS. BARTILSON: Let me make my record real quick here, then.

MR. GREENE: I'll just do it for you. I will allow the witness to authenticate this document, which he's already done.

MS. BARTILSON: Actually he hasn't.

MR. GREENE: If he hasn't, fine, have him authenticate it. Any questions about the document's preparation, I'm going to instruct him not to answer.

MS. BARTILSON: Okay.

Q. Mr. Armstrong, is that your signature on page 2 of the document?

A. Yes.

1 Q. Looking at Exhibit 1 attached to the declaration, do you recall how it
2 came into your possession?

3 MR. GREENE: Again, Mr. Armstrong, if, in your response to the questions,
4 you would disclose any communications or transactions which transpired between
5 you and me or within the activities in my office, I would instruct you not to answer
6 the question. If, on the other hand, your response would not include a disclosure
7 of such information, you may.

8 THE WITNESS: Then I would not answer.

9 (GA Depo. Vol. III, pp. 322:19-324:21)

10 **QUESTION NO. 2:**

11 Q. The court reporter has handed you a document which purports to be a
12 declaration of Gerald Armstrong, again in the Aznaran case. The declaration itself
13 is ten pages in length, and it attaches several exhibits, all the way through Exhibit
14 5. I'll ask you to recognize that.

15 A. Yes.

16 Q. On page 10 of the declaration, is that your signature?

17 A. Yes.

18 Q. Did you, in fact, execute it on September 3rd, 1991?

19 A. Yes.

20 Q. Did you prepare this declaration yourself, Mr. Armstrong?

21 MR. GREENE: Again, I instruct you not to answer the question. Because it
22 would disclose intra-office procedures, don't answer it.

23 MS. BARTILSON: Q. Mr. Armstrong, was this declaration prepared at Mr.
24 Greene's office?

25 MR. GREENE: Again, don't answer the question. You may authenticate the
26 document, but do not answer any questions with respect to the nature, manner, or
27 means of its preparation.

28 MS. BARTILSON: Q. In fact, you prepared this document, not at Mr.

1 Greene's office, didn't you, Mr. Armstrong? You didn't prepare this document at
2 Mr. Greene's office, did you?

3 MR. GREENE: Same instruction.

4 (GA Depo. Vol III, pp. 329:15-330:18)

5 **QUESTION NO. 3:**

6 Q. Mr. Armstrong, without referring to the substance of any particular case,
7 could you tell me please: What are the duties, the sorts of duties, that you
8 currently perform for Mr. Greene, working in his office without referring to any
9 substance of any case?

10 A. Okay.

11 MR. GREENE: No. I'm going to instruct you not to answer that question.
12 The procedures that occur in my office are not going to be a subject of this
13 litigation. Don't answer that question.

14 THE WITNESS: Okay.

15 (GA Depo. Vol. III, pp. 335:25-336:12)

16 **QUESTION NO. 4:**

17 Q. Mr. Armstrong, since your last deposition on July 22nd, 1992, in this
18 case, have you performed any work at all for Mr. or Mrs. Aznaran concerning their
19 litigation presently pending in the Northern District of Texas?

20 MR. GREENE: Do not answer that question.

21 MS. BARTILSON: On what grounds?

22 THE WITNESS: Fifth Amendment.

23 MR. GREENE: No, not Fifth Amendment. Do not answer that question on
24 the grounds of attorney-client privilege, of work-product privilege and privacy.

25 MS. BARTILSON: We have an injunction preventing him from doing that
26 very activity in this case. It's highly probative. Are you going to instruct him not
27 to answer.

28 MR. GREENE: I am instructing him not to answer.

1 (Id. p. 336:13-337:6)

2 **QUESTION NO. 5:**

3 Q. Mr. Armstrong, have you done a substantial amount of work in the
4 Aznaran case since your last deposition in this case?

5 MR. GREENE: Same instruction. Same basis.

6 (Id. p. 337:7-10)

7 **QUESTION NO. 6:**

8 MS. BARTILSON: Q. Mr. Armstrong, did you have anything to do with
9 aiding Mr. Greene in his preparation of the opposition to defendants' motion in the
10 Aznaran case to change venue of the case to the Northern District of Texas?

11 MR. GREENE: Same instruction. Same basis.

12 (Id. p. 337:11-16)

13 **QUESTION NO. 7:**

14 Q. Mr. Armstrong, did you do any work at all in connection with the motion
15 for reconsideration of venue, change order, or the ex parte applications that Mr.
16 Greene filed in that case?

17 MR. GREENE: Same two positions. All these questions will receive the same
18 instruction and the same basis.

19 (Id. p. 337:17-23)

20 **QUESTION NO. 8:**

21 Q. Are you presently, in your capacity as a paralegal in Mr. Greene's
22 office, doing work in the Aznaran case?

23 MR. GREENE: Same objection and instruction as before.

24 (GA Depo. Vol.III, p.391:10-14)

25 **QUESTION NO. 9:**

26 Q. Mr. Armstrong, do you currently handle files in Mr. Greene's office
27 concerning the Aznaran case?

28 MR. GREENE: Same objection and instruction as before.

1 (Id. p. 391:15-19)

2 **QUESTION NO. 10:**

3 Q. Do you summarize depositions for Mr. Greene in the Aznaran case?

4 MR. GREENE: Same two positions.

5 (Id. p. 391:20-22)

6 **QUESTION NO. 11:**

7 Q. Working as a paralegal in Mr. Greene's office, do you interview
8 witnesses?

9 MR. GREENE: Same two positions.

10 (Id. p. 391:23-25)

11 **QUESTION NO. 12:**

12 Q. In your capacity as a paralegal in, quote, "Scientology litigation," close
13 quote, that you've described here in paragraph 2 of your affidavit, do you draft
14 pleadings for Mr. Greene's office?

15 MR. GREENE: Same two positions.

16 (Id. p. 392:1-6)

17 **QUESTION NO. 13:**

18 Q: Could you tell me, Mr. Armstrong: when was the last time you did any
19 work at all for Mr. Greene's office concerning the Aznarans?

20 MR. GREENE: Same two positions.

21 Q. And to make the record complete, could you also tell me, please: When
22 was the last time you performed any work for Mr. Greene's office concerning
23 any individual or group involved in a dispute with any Scientology entity?

24 MR. GREENE: Same two positions.

25 (Id. p. 392:7-16)

26 **QUESTION NO. 14:**

27 Q. Did you, at any time, since July 22nd, discuss, however briefly, with
28 either of the Aznarans any matters concerning their own case?

1 A. Broadly, yes.

2 Q. What did you discuss?

3 MR. GREENE: Let me take a break here.

4 (Sotto voce conversation between the witness and Mr. Greene.)

5 MR. GREENE: Go ahead.

6 MS. BARTILSON: Q. After discussing it with your attorney, Mr. Armstrong,
7 what's the answer to your question?

8 A. The extent of those matters was the relaying of a communication
9 from Mr. Greene or back and forth.

10 MS. BARTILSON: Q. You were relaying a communication from Mr. Greene
11 to the Aznarans?

12 A. It may have been that.

13 Q. May have been?

14 A. With the understanding that it could take the form as simple as, "Is
15 your fax machine on?"

16 Q. Did you fax things to the Aznarans?

17 MR. GREENE: Mr. Armstrong, I'm going to instruct you not to answer that
18 question based on attorney-work product privilege.

19 MS. BARTILSON: Did you assemble documents for the purpose of faxing to
20 the Aznarans?

21 MR. GREENE: Same instruction.

22 MS. BARTILSON: This is for the work product privilege concerning Mr.
23 Armstrong's case?

24 MR. GREENE: No. Concerning the Aznaran's case.

25 MS. BARTILSON: Concerning the Aznaran's case.

26 MR. GREENE: And based on general privacy concerns of my office --

27 MS. BARTILSON: Privacy concerns of your office. You won't let him tell
28 me whether or not he faxed anything to the Aznarans? MR. GREENE: That's

1 right.

2 (GA Depo. Vol. IV, pp. 448:9-450:1)

3 **QUESTION NO. 15:**

4 MS. BARTILSON: Mr. Armstrong, has Mr. Greene ever instructed you not to
5 work on the Aznaran file?

6 MR. GREENE: I'm going to object, and that objection is asserted on behalf
7 of Mr. Armstrong based on the attorney-client privilege. Do not answer that
8 question.

9 (Id. p. 450:2-8)

10 **QUESTION NO. 16:**

11 Q. Mr. Armstrong, other than relaying communication from Mr. Greene,
12 whether by fax or verbally, to the Aznarans concerning their case, have you had
13 any other communications with the Aznarans concerning their case?

14 MR. GREENE: That misstates his prior testimony. Don't answer the
15 question.

16 MS. BARTILSON: Hard to answer if I can't finish it. Why don't you let me
17 finish the question and raise the objection so we have a complete record?

18 MR. GREENE: I thought you said, "did you have any communications on
19 any other cases?" I thought you were finished. Sounded like the end of a
20 question to me.

21 MS. BARTILSON: No. Can you read back what I had so far?

22 (Record read.)

23 MS. BARTILSON: By George. I take it back. I finished the thought. I didn't
24 even know it. So he's not going to answer?

25 MR. GREENE: That is correct.

26 (Id. pp. 450:24-452:20)

27 **REASONS FOR COMPELLING RESPONSES TO CATEGORY A**

28 A central allegation in CSI's complaint is Armstrong's assistance via Ford

1 Greene to anti-Church litigants Richard and Vicki Aznaran. Id. Before the instant
2 litigation was started, Armstrong obtained employment in the offices of the
3 Aznarans' attorneys (first Joseph Yanny, then Ford Greene), and provided them
4 with assistance in the case of Vicki Aznaran and Richard Aznaran v. Church of
5 Scientology International, et al., U.S. District Court, Central District of California
6 No. CV-88-1786-JMI(Ex). Armstrong was enjoined from continuing to provide this
7 assistance by the Court's May, 1992 order. Armstrong's provision of aid to the
8 Aznarans is thus a central factual question raised by the complaint, and prohibited
9 both by the underlying settlement agreement and the injunction.

10 The questions set forth above obviously and directly address the issues of
11 whether or not Mr. Armstrong has, is and intends to continue to aid the Aznarans.
12 They seek basic information concerning the nature and extent of Armstrong's
13 breaches relative to the Aznarans.

14 Mr. Greene instructed Mr. Armstrong not to answer these questions,
15 claiming that the attorney-client privilege and the work product doctrine protected
16 discovery into these areas. These objections, however, are inapplicable to the
17 questions asked.

18 Pursuant to Evidence Code §954, a client has a privilege to refuse to
19 disclose, and to prevent another from disclosing, a confidential communication
20 between client and lawyer. A confidential communication between client and
21 lawyer "means information transmitted between a client and his lawyer in the
22 course of that relationship and in confidence by a means which . . . discloses the
23 information to no third persons other than those who are present to further the
24 interests of the client. . . ." Evid. C. §952. Thus, the fundamental requirement for
25 the attorney-client privilege to apply is that the question seek to discover the
26 content of an attorney-client communication. The privilege may not be used to
27 and does not conceal everything which refers to or is said and done in connection
28 with legal representation. E.g., Coy v. Superior Court (1962), 58 Cal.2d 210,

1 219-220, 23 Cal.Rptr. 393, 397-398, (date on which conversations between
2 client and attorney occurred is not "a matter within the purview of attorney-client
3 privilege, although it 'refers' to that relationship" and interrogatory questions
4 concerning date of communication with attorney should be answered.)

5 So, here, no attorney-client privilege can attach, on behalf of the Aznarans,
6 to questions such as the last date on which Armstrong did any work for Mr.
7 Greene's office on the Aznaran case; whether Armstrong assembled documents for
8 the purpose of faxing them to the Aznarans; whether Armstrong has been
9 instructed by his employer not to work on the Aznaran's file; or whether
10 Armstrong performed actions in Mr. Greene's office which assisted the Aznarans in
11 their litigation.

12 Nor can the limited work product privilege apply to these questions.
13 Pursuant to C.C.P. §2018, the "work product of an attorney is not discoverable
14 unless the court determines that denial of discovery will unfairly prejudice the party
15 seeking discovery in preparing that party's claim or defense or will result in an
16 injustice." Only writings which reflect "an attorney's impressions, conclusions,
17 opinions or legal research or theories" are completely protected from discovery.

18 In this case, the questions asked of Armstrong in deposition do not probe
19 into Mr. Greene's work product at all; they certainly have nothing to do with his
20 writings. The questions seek to establish whether or not Armstrong has breached
21 the agreement and the injunction by aiding the Aznarans. They do not probe the
22 content of any writings, nor have they asked for production of work generated by
23 either Armstrong or Greene on the case. Indeed, the only questions asked which
24 specifically pertain to matters at issue in the Aznaran case were questions which
25 sought to ascertain the degree of Armstrong's participation in the preparation of
26 materials that were filed in that case, and are thus part of the public record.

27 Under these circumstances, Armstrong should be ordered to return to
28 deposition, and to answer fully each of the questions set forth above, along with

1 any relevant follow-up questions which those answers may generate.

2 **B. DEPOSITION QUESTIONS CONCERNING ARMSTRONG'S CONTINUING**
3 **PROVISION OF ASSISTANCE TO OTHER LITIGANTS**

4 **QUESTION NO. 17:**

5 Q. Mr. Armstrong, while working in Mr. Greene's office, have you provided
6 assistance to any other individuals who are engaged in disputes with the Church of
7 Scientology International or any other entity that's covered by the settlement
8 agreement?

9 MR. GREENE: Same two positions.

10 MS. BARTILSON: That's at any time since he came to work at your office?

11 MR. GREENE: That's absolutely right.

12 (GA Depo. Vol III, p. 338:2-11)

13 **QUESTION NO. 18:**

14 Q. When in 1992 did you speak to Richard Behar?

15 A. Sometime in the spring.

16 Q. Do you recall if it was before or after the hearing in front of Judge
17 Dufficy?

18 A. I believe it was after.

19 Q. Do you recall if it was before or after your first appearance in Los
20 Angeles after this case had been transferred to Los Angeles?

21 A. It may have been.

22 Q. It may have been before?

23 A. Before or after.

24 Q. Okay. Was this the only occasion on which you spoke to Mr. Behar in
25 1992, or was there more than one?

26 A. There may have been two, but I have no recollection when or if.

27 Q. Was it by telephone?

28 A. Yes.

1 Q. Did you call him or did he call you?

2 A. I believe I called him.

3 Q. Do you call the reason for your telephone call to Mr. Behar?

4 A. I think it had to do with the organization's suing either Time or
5 Reader's Digest for the reprint of the Time article.

6 Q. So someone suing Time or Reader's Digest was your reason for calling
7 Mr. Behar?

8 A. Someone?

9 Q. Right.

10 A. No.

11 Q. Then I misunderstood.

12 A. The organization's suit.

13 Q. Okay.

14 A. Right.

15 Q. Are you a party to that suit?

16 A. I'm sorry?

17 Q. Are you a party to that suit?

18 A. No.

19 Q. To the best of your recollection, what did you say to him, and what
20 did he say to you?

21 MR. GREENE: At this point, Mr. Armstrong, I'm going to instruct you not to
22 answer that question based on attorney-client, work-product and joint defense
23 privileges.

24 MS. BARTILSON: Mr. Greene, just so I understand this when we take it in
25 front of the judge, could you elaborate a little bit on --

26 MR. GREENE: -- what a client --

27 MR. GREENE: -- not at this time, Counsel. I would be happy to meet and
28 confer with you later, but I will not do it now.

1 (Id. pp. 386:6-388:8)

2 **QUESTION NO. 19:**

3 Q. Did you provide any aid to Bent Corydon or his attorney, Toby Plevin, of
4 any kind beyond testifying?

5 A. Yes.

6 Q. What aid did you provide them?

7 MR. GREENE: Hold on. Mr. Armstrong, there may be applicable here on
8 behalf of Ms. Plevin an attorney-work product privilege. So if, in response to this
9 answer -- I'm not exactly sure. I just would caution you -- Can we go off the
10 record a second, please?

11 (Pause in proceedings.)

12 MR. GREENE: Back on the record. With respect to the pending answer, for
13 the time being, I'm going to instruct Mr. Armstrong not to answer for the purpose
14 of notifying Ms. Plevin regarding the information that's sought so as to provide her
15 with an opportunity to assert any rights that she may consider are appropriate for
16 her to assert in that regard. So for now, my instruction to you, Mr. Armstrong, is:
17 Don't answer the question.

18 (GA Depo. Vol IV, pp. 424:15-425:10)

19 **QUESTION NO. 20:**

20 Q. You've already testified that you provided assistance to Ms. Plevin on
21 Mr. Corydon's case. Now I am asking you if, during this time period when you
22 were assisting her clerically, if that was any of the assistance you provided on Mr.
23 Corydon's case.

24 MR. GREENE: I think the same objection I imposed earlier. It may be by
25 disclosure, whatever Mr. Armstrong did for Ms. Plevin, that from such
26 information, inferences can be drawn that would impact her attorney-work
27 privilege. And so on those grounds, and for the time being, I will instruct you, Mr.
28 Armstrong not to answer pending an opportunity for Ms. Plevin to assert her

1 rights, such as they may be.

2 MR. BARTILSON: Since I haven't asked for substance, I think that's a
3 patently --

4 MR. GREENE: I stated the grounds for my objection, and the --

5 MS. BARTILSON: Could I finish my sentence, please?

6 MR. GREENE: No, I'm sorry. And the instruction will stand. So you can do
7 whatever you like. But the instruction will stand, Ms. Bartilson.

8 (Id. pp. 428:6-429:4)

9 **QUESTION NO. 21:**

10 Q. Mr. Armstrong, other than the few days that you've described when you
11 provided clerical service to Ms. Plevin, have you been employed by her in any
12 capacity?

13 MR. GREENE: Relating to Scientology litigation?

14 MS. BARTILSON: In general.

15 MR. GREENE: Don't answer the question. It's irrelevant and not calculated
16 to lead to admissible evidence.

17 (Id. p. 430:6-15)

18 **QUESTION NO. 22:**

19 Q. Listen, please, very carefully, Mr. Armstrong. I am not asking you about
20 providing anything. That's not part of this question. What you do isn't part of it
21 yet. All I'm asking is: Did Ms. Plevin ask you for help?

22 MR. GREENE: He testified that she didn't.

23 MS. BARTILSON: Q. In connection with any litigation -- just help in
24 connection with any litigation in which she represents someone against any Church
25 of Scientology related entity. That's all. Did she ask you for help?

26 A. As you've stated it, no.

27 Q. Did she ask you for help of other kind?

28 A. Yes.

1 Q. Whether or not she asked you for it, did you help her with any anti-
2 Scientology litigation in any way?

3 A. Yes.

4 Q. And what did you do?

5 MR. GREENE: Same instruction, Mr. Armstrong. Same reasons.

6 (Id. p. 434:5-25)

7 **QUESTION NO. 23:**

8 Q. Mr. Armstrong, do you know Tilly Good?

9 A. Yes. In the sense -- when you say "know," I know of her existence,
10 yes.

11 Q. Have you ever spoken with Ms. Good?

12 A. Yes.

13 Q. On how many occasions?

14 A. Perhaps four.

15 Q. Have you ever met Ms. Good?

16 A. No.

17 Q. Have you ever worked on her case file?

18 MR. GREENE: Objection. Attorney-client work product privilege. All of the
19 prior objections which would be work product, privacy, interference with right to
20 counsel and attorney-client.

21 MS. BARTILSON: These are asserted on behalf of Ms. Good.

22 MR. GREENE: That's correct. Well, no. Attorney-client and work product
23 are asserted on behalf of Ms. Good. And privacy is asserted on behalf of my office
24 generally. And Sixth Amendment is asserted on behalf of Ms. Good.

25 MS. BARTILSON: Q. When is the first time you remember speaking with
26 Ms. Good, Mr. Armstrong?

27 A. Some months ago.

28 Q. In 1992?

1 A. I believe so.

2 Q. Was it before April 1992?

3 A. I don't recall.

4 Q. When is the last time you recall speaking to Ms. Good?

5 A. Perhaps a month ago.

6 Q. Have you provided Mr. Greene with any assistance in working on Ms.
7 Good's case?

8 A. [sic - MR. GREENE:] I'm going to instruct you not to answer based on
9 ambiguity and vagueness.

10 MS. BARTILSON: Ambiguity and vagueness?

11 MR. GREENE: Right.

12 MS. BARTILSON: Q. Is Mr. Greene Ms. Good's attorney?

13 A. Yes.

14 Q. Does Ms. Good have a dispute with one or more Churches of
15 Scientology?

16 MR. GREENE: And with respect to that, Mr. Armstrong, I will instruct you
17 not to answer the question based on attorney-work product privilege.

18 MS. BARTILSON: Q. Mr. Armstrong, do you have personal knowledge
19 whether or not Ms. Good has a dispute with any Church of Scientology?

20 MR. GREENE: Again, same instruction. Don't answer the question.

21 MS. BARTILSON: Q. Or if she had one?

22 MR. GREENE: Same instruction.

23 MS. BARTILSON: I find this a little curious, Mr. Greene, since you have
24 been bombarding my office with letters concerning Ms. Good's dispute. I can
25 hardly see how you claim that's privileged information.

26 (GA Depo. Vol IV, pp. 451:22-454:4)

27 **QUESTION NO. 24:**

28 Q. Mr. Armstrong, do you know Denise Cantin?

1 A. Yes.

2 Q. Had you ever met Ms. Cantin -- Dr. Cantin?

3 A. Yes.

4 Q. Where did you meet her?

5 A. At the Hub law office.

6 Q. On how many occasions have you met Dr. Cantin?

7 A. One.

8 Q. When was that?

9 A. I would say approximately --

10 MR. GREENE: Wait, wait, wait. Actually, Mr. Armstrong, I'm going to
11 instruct you not to answer that question, and I'm going to -- that instruction is
12 based on the attorney-client privilege, because I do not want Scientology knowing
13 anything about the frequency or anything else that I meet with my clients. So
14 don't answer the question. And I would also add two other objections, which is
15 the right to privacy and interference with the right to counsel.

16 (Id. pp. 454:5-455:2)

17 **QUESTION NO. 25:**

18 Q. Have you spoke with Dr. Cantin on the telephone?

19 A. Yes.

20 Q. Have you discussed with Dr. Cantin her dispute with any Churches of
21 Scientology?

22 MR. GREENE: And there, the same objections apply. The same instruction.

23 (Id. p. 455:9-15)

24 **QUESTION NO. 26:**

25 Q. Do you know Ed Roberts?

26 A. Yes.

27 Q. Have you met Mr. Roberts?

28 A. Yes.

1 Q. Where did you meet Mr. Roberts?

2 A. In Boulder Creek.

3 Q. When was that?

4 MR. GREENE: And with respect to that, Mr. Armstrong, I'll give you the
5 same instruction. And the -- for the same reasons as applied to Roberts.

6 (Id. p. 455:20-456:4)

7 **QUESTION NO. 27:**

8 Q. Have you spoken with Mr. Roberts since the time you interviewed him in
9 November of 1991?

10 A. Yes.

11 Q. How many times?

12 A. Perhaps seven.

13 Q. Have you discussed with him on any of those seven occasions his
14 dispute with one or more Churches of Scientology?

15 MR. GREENE: I'm going to draw the line there and instruct you not to
16 answer for the same reasons previously stated.

17 (Id. p. 457:3-14)

18 **QUESTION NO. 28:**

19 Q. Since November 1991, have you helped Mr. Greene, prepare any
20 documents in connection with the Roberts case?

21 MR. GREENE: As to that, I will draw the line and instruct you not to answer
22 the question based on the reasons previously stated.

23 MS. BARTILSON: Q. Since November of 1991, have you had any
24 discussions with Mr. Greene concerning the substance of Mr. Roberts' claims
25 against any of the Churches of Scientology related entities?

26 MR. GREENE: Same instruction; same reasons.

27 (Id. p. 457:18-23)

28 **QUESTION NO. 29:**

1 MS. BARTILSON: Q. Since November of 1991, have had any discussions
2 with Mr. Roberts or have you been present in any discussions between Mr. Roberts
3 and others concerning his claims against Church of Scientology or any related
4 entities?

5 MR. GREENE: Same instruction; same reasons.

6 MS. BARTILSON: Q. I'd like to ask those questions concerning both Ms.
7 Good and Dr. Cantin, and I assume they will be the same.

8 MR. GREENE: I will stipulate as to the same questions with the same two
9 positions in response as to Tilly H. Good and Denise Cantin.
10 (Id. pp. 457:24-458:17)

11 **REASONS FOR COMPELLING RESPONSES TO CATEGORY B**

12 The Aznarans are not the only litigants against the plaintiff that Armstrong
13 has aided, despite the agreement and court order which prohibit him from doing
14 so. Armstrong has also admitted to providing aid to numerous litigants and
15 claimants against CSI or other persons and entities protected by the agreement and
16 the order, including Bent Corydon, Tillie Good, Ed Roberts and Denise Cantin.
17 However, as demonstrated by the questions recited supra, all efforts to ascertain
18 the timing and extent of the aid provided to these people by Armstrong were met
19 with claims of attorney-client and work product privilege. As with the questions
20 concerning the Aznarans, these questions do not seek the content of the
21 communications between client and lawyer, but the dates and facts concerning
22 Armstrong's breach of contract. Armstrong should be ordered to return to
23 deposition, and respond to these questions in full.

24 **C. DEPOSITION QUESTIONS CONCERNING THE AMOUNT ARMSTRONG**
25 **RECEIVED IN SETTLEMENT**

26 **QUESTION NO. 30:**

27 Q. ... were you aware of the general terms as opposed to the specific
28 language that was contained in the agreement?

1 A. Only in that Mr. Flynn and I had arrived at a figure, so I was aware of
2 that.

3 Q. And what was that figure?

4 A. I am not --

5 MR. GREENE: Same instruction.

6 THE WITNESS: -- permitted to discuss that.

7 MR. GREENE: Don't answer the question.

8 MR. WILSON: Q. In fact, how much money did you receive from the
9 settlement, Mr. Armstrong?

10 A. I am not permitted to discuss that.

11 Q. Because of what?

12 A. Because of agreements which I will honor.

13 Q. And those agreements are between you and who?

14 A. Mr. Flynn.

15 Q. So between you and Mr. Flynn you agreed not to disclose that
16 amount?

17 A. Right, and I have not.

18 (GA Depo. Vol I, pp. 70:25-71:21)

19 **QUESTION NO. 31:**

20 Q. Now, this 30 pieces of silver that you were paid, you refused to tell
21 me how much that was; right?

22 A. Right.

23 Q. And that's despite the fact that you're -- let me ask you this, you're
24 aware that Mr. Joe Yanny sought to intervene in this action as an amicus, as a
25 party; is that correct?

26 A. Right.

27 Q. And you're aware that Mr. Yanny's attorney, Graham Berry, filed a
28 brief in which he said you were paid \$800,000; right?

1 A. I have seen that stated a number of times.

2 Q. And you're aware that your attorney, Mr. Greene, filed a brief in
3 which he adopted the brief filed by Mr. Berry?

4 A. Okay.

5 Q. Okay?

6 A. I'm accepting your representations but I have no reason to --

7 Q. Are you aware of that or not?

8 A. I have no reason to argue. I'm agreeing with you.

9 Q. With that background, I'm going to ask you is it true you were paid
10 \$800,000?

11 A. Again, I have never stated that to anyone and I have honored my
12 agreement with Michael Flynn in that regard. What other people chose to say
13 about it is up to them.

14 Q. And it's your position that your agreement with Mr. Flynn requires
15 you not to disclose that even though you're here testifying under oath?

16 A. Right.

17 Q. And that the notice of your deposition, since you're a party to this
18 action, is the equivalent to a subpoena?

19 A. By which you mean, if therefore you're stating that anybody were to
20 subpoena in the future would be therefore obliged to produce their settlement
21 agreements and you would not object to that, then now we're talking a whole
22 different ballgame.

23 Q. No. All I'm saying --

24 A. I know what you're saying.

25 Q. Do you understand that you're here under a procedure equivalent to a
26 subpoena and you are nevertheless refusing to answer my question?

27 MR. GREENE: Don't answer that. That's an argumentative question.

28 MR. WILSON: Do you understand that, Mr. Greene?

1 MR. GREENE: I'm not being deposed here. He is instructed not to answer.

2 MR. WILSON: Let me ask you this --

3 MR. GREENE: You get the answer from the witness. The witness said, "I'm
4 not going to answer that, I'm going to honor my agreement with Mr. Flynn." Your
5 inquiry has been responded to. You've got the appropriate procedures to move to
6 compel. I'm sure you will, so let's move on.

7 (GA Depo. Vol I, pp. 115:5-117:16)

8 **QUESTION NO. 32:**

9 Q. Did you give away the money that the Church paid you in settlement?

10 A. Well, I'm, that's not a very well worded question, because I gave
11 away all my assets including all my money.

12 Q. When?.

13 A. When? August 1990?

14 ***

15 Q. What did you have in August 1990 that you gave away?

16 A. Cash, property, stocks, rights and debts owed to me.

17 Q. Okay. Let's start with the cash. How much cash did you give away?

18 A. I don't think that's appropriate for me to get into. I decline to answer.

19 Q. Well, I'll tell you why it's relevant. And if it isn't, it can be made
20 relevant by the complaint. Under the Fraudulent Conveyance Act, fraudulent
21 conveyances are defined in a number of ways, including transfers without
22 considerations, which these are by virtue of Mr. Armstrong's testimony.

23 A. By which you mean therefore every donation made by every
24 Scientologist is of necessity a fraudulent conveyance? Are you certain that every
25 donation made by anyone to charity is a fraudulent conveyance? I think that you --

26 Q. I'm just explaining the relevance of the question to you. You testified
27 that you gave away your assets, that you received no monetary consideration for
28 them. I believe that qualifies as a fraudulent conveyance under the California

1 Code. I cannot recall whether it's either 4139 or 4169. I can get it. One is
2 transfer without consideration of a creditor as defined for anyone with a claim,
3 which would include the Church of Scientologist [sic -Scientology] in this case.
4 There is no claim of fraudulent conveyance in the complaint now. It will be
5 amended so you can answer the question now, or you can answer them later. It's
6 your choice. As of this instance, there is no fraudulent conveyance claim because
7 I just learned of it; there will be one. So if your lawyer objects on the ground of
8 relevance, technically he's correct now, but he won't be in the future. So you can
9 answer now or you can answer later.

10 A. Now, you answer me. Scientology complains of things which
11 apparently they claimed occurred from June 1991 forward not only that, but they
12 sued me in 1992. A year and a half following the conveyance. You tell me.

13 Q. Tell you what?

14 MR. GREENE: Listen, Gerry, if you don't want to answer the question, don't
15 answer the question. Let's move on.

16 THE WITNESS: Okay. Go ahead.

17 MR. GREENE: At this point, no answer.

18 (GA Depo. Vol. II, pp. 267:16-271:6)

19 **QUESTION NO. 33:**

20 MR. WILSON: Q. I'm going to ask the question again. Were you paid
21 \$800,000?

22 MR. GREENE: Asked and answered. Don't answer that question.

23 MR. WILSON: Are you instructing him not to answer that question?

24 MR. GREENE: If he does not want to answer the question based on his
25 agreement with Mr. Flynn, yes.

26 MR. WILSON: And is there any other basis for your instructing him not to
27 answer?

28 MR. GREENE: Yes, attorney-client privilege.

1 MR. WILSON: Attorney-client privilege?

2 MR. GREENE: Yes, between him and Flynn.

3 MR. WILSON: The fact that he received a sum of money is an attorney-
4 client communication, is that what --

5 MR. GREENE: No, Mr. Wilson, I'm not going to debate the merits with you,
6 as you know [sic - now] incredulously make your inquiries. Just ask your
7 questions, get your answers and move on.

8 MR. WILSON: All I'm trying to do is understand your positions, because
9 although I sort of doubt it, I think if I understood them, maybe we'll get
10 somewhere. But I'm having trouble understanding how the receipt of a sum of
11 money could be an attorney-client communication.

12 MR. GREENE: Well, I'm sorry.

13 MR. WILSON: Unless there's some kind of code that says if I pay you a
14 dollar come here Tuesday.

15 MR. GREENE: You want to continue with that, we'll walk, and I --

16 MR. WILSON: You know you can walk any time you want.

17 MR. GREENE: Right, we will.

18 MR. WILSON: And you let me finish.

19 MR. GREENE: No, I'm not going to let you finish and I -- Shut up. You
20 watch your mouth. You quit abusing him. He's giving you the answer. If you
21 don't like the answer, that's tough, move to compel, but shut up and quit
22 badgering him and quit badgering me, you understand me?

23 MR. WILSON: Mr. Greene, I have no trouble understanding you, although
24 you're attempting to threaten me, I don't feel threatened.

25 MR. GREENE: I really don't care. I'm telling you that you act like a
26 gentleman, okay. The witness has told you he's not going to answer your
27 question. I've told you he's not going to answer your question. Now move on.

28 MR. WILSON: And you've told me to shut up three times.

1 MR. GREENE: I don't care how many times.

2 MS. BARTILSON: He shouted at you to shut up three times, let's be
3 specific.

4 MR. WILSON: You shouted at me.

5 MR. GREENE: I deleted the expletive.

6 MR. WILSON: I appreciate it.

7 MR. GREENE: Ask a question and move on.

8 MR. WILSON: I'll ask whatever questions I want. I'll make whatever
9 comments I want on the record. And unlike you, I don't need to do it -- you can
10 shout at me all you want and you don't scare me.

11 MR. GREENE: I really don't care.

12 MR. WILSON: I'm going to ask you one more time if you feel that the act of
13 Mr. Armstrong receiving a sum of money is attorney-client communication, is that
14 your position?

15 MS. BARTILSON: I think he's nodding, but it's hard to tell.

16 MR. GREENE: You've got my response.

17 (GA Depo. Vol. I, pp. 117:17-120:13)

18 **QUESTION NO. 34:**

19 Q. Did you invest some of the proceeds of what you had received from
20 the settlement?

21 A. I think that what I did with the proceeds are not a correct subject.
22 It's a matter of privacy.

23 Q. So you're refusing to answer the question?

24 A. Right.

25 (GA Depo. Vol IV, pp. 459:23-460:3)

26 **QUESTION NO. 35:**

27 Q. Okay. If I ask you any other questions concerning what you did with
28 the proceeds form the settlement, you'il refuse to answer all of those questions as

1 well?

2 A. Right.

3 Q. And if I ask you how much of the proceeds were still remaining in
4 your pocket at some period later when you gave away all your assets on the
5 instruction of God, you won't tell me that either, correct?

6 A. Correct.

7 (GA Depo. Vol IV, pp. 460:20-461:4)

8 **REASONS FOR COMPELLING RESPONSES TO CATEGORY C**

9 Armstrong claims, as an affirmative defense, that the consideration which he
10 received pursuant to the settlement agreement was inadequate. [Amended
11 Answer, Aff. Def. No. 19] The agreement itself provided that a lump sum amount
12 would be given to Armstrong's attorney, for the settlement of multiple cases, and
13 that Armstrong's attorney would be responsible for ensuring that Armstrong was
14 paid an adequate amount. CSI was not made privy to this transaction between
15 Armstrong and his attorney. Accordingly, to counter this defense, CSI must
16 discover from Armstrong the amount that he was actually paid.

17 Armstrong has told the media how much he was paid in settlement; he
18 adopted fully the briefing and exhibits filed by Joseph Yanny in this action which
19 included documentation and argument asserting that Mr. Armstrong received
20 \$800,000 in settlement. Nonetheless, as demonstrated above, Armstrong refused
21 to testify as to how much he received, claiming he wanted to "honor" an
22 "agreement" not to disclose the amount. Plaintiff requests that Armstrong be
23 compelled to admit the amount in a verified writing or return to deposition and
24 answer the question under oath.

25 Similarly, Armstrong refused to testify as to what he had done with the
26 proceeds. The agreement includes a trust placed on that amount to guarantee the
27 payment of liquidated damages in the event of breach. Plaintiff is entitled to full
28 disclosure of Mr. Armstrong's wastrel activities and conveyances in order to secure

1 the judgment to which they are entitled. Therefore, plaintiff requests that
2 Armstrong be required to return to deposition and fully respond to all of the
3 remaining unanswered questions concerning his disposition of the settlement
4 proceeds.

5 **D. DEPOSITION QUESTIONS CONCERNING MR. ARMSTRONG'S**
6 **DISCUSSIONS WITH MICHAEL WALTON ABOUT THE SETTLEMENT**
7 **QUESTION NO. 36:**

8 Q. And did Mr. Flynn tell you that the liquidated damages provisions
9 were reciprocal, that they could be enforced against the Church as well as against
10 you?

11 A. I don't know that he did.

12 Q. Okay.

13 A. This was something that another lawyer advised me of because I
14 specifically asked about that and he said in order for them to enforceable, they
15 would have to be reciprocal.

16 Q. And who was that other lawyer?

17 A. That was Walton.

18 Q. And when did you meet with him?

19 A. The morning before signing it.

20 ...

21 Q. And did you tell him what your concerns were about the settlement
22 agreement?

23 A. I think that anything else regarding what we went into, I would
24 decline regarding that communication and just maintain the attorney-client privilege
25 with regards to my communications with Walton.

26 Q. Your attorney can advise you on this, but you can't tell me part of the
27 communication and then decline to tell me the rest of it.

28 A. Okay. Then I'll withdraw that earlier part.

1 Q. You can't do that either.

2 A. Well --

3 Q. You've disclosed it. You can't disclose part of it and then refuse to
4 tell me what happened in the rest of it.

5 A. Oh, okay. Well, I'm going to maintain it in any case.

6 Q. Okay. So I don't want to waste a lot of our time asking you anymore
7 questions about it --

8 A. No, don't.

9 Q. Please let me finish.

10 A. Okay.

11 Q. I don't want to waste time asking questions that you won't answer.
12 If I ask you any more questions about the meeting between you and Mr. Walton,
13 the substance of what happened, will you refuse to answer on the basis of
14 attorney-client privilege?

15 A. Right.

16 Q. Other than what you've already testified to.

17 A. Right.

18 Q. And I don't want to get Mr. Greene angry at me again for questioning
19 him, but are you instructing him not to answer or is he just doing it on his own?

20 MR. GREENE: No, I'm instructing him not to answer and we'll litigated [sic -
21 litigate] that.

22 MR. WILSON: So if I ask him any more questions about his conversations
23 with Mr. Walton, about the once that occurred at their meeting that he's testified
24 to, you'll instruct him not to answer?

25 MR. GREENE: Right.

26 MR. WILSON: And the basis will be attorney-client privilege?

27 MR. WILSON [sic - GREENE]: Correct.

28 (GA Depo. Vol I, pp. 163:7-166:24)

REASONS FOR COMPELLING RESPONSES TO CATEGORY D

Armstrong has claimed as a defense to this action that his own attorneys told him that the agreement was unenforceable before he signed it. Armstrong has testified that he discussed the settlement agreement with one of those attorneys, Michael Walton, before he signed the agreement. Although Armstrong has previously and specifically waived any attorney-client privilege concerning his discussions with attorneys about the settlement agreement, he refused, in Question 36, to answer any questions about this conversation based on the attorney-client privilege. This is patent abuse of the discovery process. Once waived, the privilege cannot be resurrected at a party's whim. Armstrong should be compelled to return to deposition immediately and respond to a full inquiry as to his conversation(s) with Mr. Walton concerning the settlement agreement.

E. DOCUMENT REQUEST TO DEFENDANT GERALD ARMSTRONG**REQUEST NO. 1:**

1. All documents in your possession which in any way discuss, mention, concern, relate or refer to the Church of Scientology International, the Religious Technology Center, L. Ron Hubbard, any Church of Scientology, or any of the entities or individuals listed or referred to in paragraph 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986, a copy of which is attached to the Complaint in this action as Exhibit A;

DEFENDANT ARMSTRONG'S RESPONSE TO REQUEST NO. 1:

1. Too general to be susceptible of reasonable interpretation. Attorney-client privilege. Attorney work product privilege. Joint defense privilege. Obtainable from some other source. Unreasonably cumulative. Unduly burdensome and expensive. First amendment free speech privilege. Privacy privilege. Psychotherapist patient privilege. First amendment religious liberty privilege.

REQUEST NO. 12:

12. All documents which relate to or concern Steven Hunziker, Kate Schuchmann or Virginia Sanders' legal disputes with plaintiff or any of the entities or individuals listed or referred to in paragraph 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986, a copy of which is attached to the Complaint in this action as Exhibit A, including, without limitation, correspondence, memoranda, notes, invoices, billing slips, tape recordings, videotapes or records of any kind;

DEFENDANT ARMSTRONG'S RESPONSE TO REQUEST NO. 12:

12. Too general to be susceptible of reasonable interpretation. Attorney work product privilege. Joint defense privilege. Obtainable from some other source. Unreasonably cumulative. Unduly burdensome and expensive. First amendment free speech privilege. First Amendment religious liberty. Privacy privilege.

REQUEST NO. 13:

13. All correspondence of any kind which you received from Steven Hunziker, Kate Schuchmann or Virginia Sanders, their employees, agents, representatives, attorneys, officers, directors or assigns, after December 6, 1986, which relates to or concerns the plaintiff or any of the entities or individuals listed or referred to in paragraph 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986, a copy of which is attached to the Complaint in this action as Exhibit A.

DEFENDANT ARMSTRONG'S RESPONSE TO REQUEST NO. 13:

13. Too general to be susceptible of reasonable interpretation. Attorney work product privilege. Joint defense privilege. Obtainable from some other source. Unreasonably cumulative. Unduly burdensome and expensive. First amendment free speech privilege. First Amendment religious liberty. Privacy privilege.

REQUEST NO. 14:

1 14. All correspondence of any kind which you sent to Steven Hunziker,
2 Kate Schuchmann or Virginia Sanders, their employees, agents, attorneys,
3 representatives, officers, directors or assigns, after December 6, 1986, which
4 relates to or concerns the plaintiff or any of the entities or individuals listed or
5 referred to in paragraph 1 of the "Mutual Release of All Claims and Settlement
6 Agreement" of December, 1986, a copy of which is attached to the Complaint in
7 this action as Exhibit A;

8 **DEFENDANT ARMSTRONG'S RESPONSE TO REQUEST NO. 14:**

9 14. Too general to be susceptible of reasonable interpretation. Attorney
10 work product privilege. Joint defense privilege. Obtainable from some other
11 source. Unreasonably cumulative. Unduly burdensome and expensive. First
12 amendment free speech privilege. First Amendment religious liberty. Privacy
13 privilege.

14 **REQUEST NO. 15:**

15 15. All documents which relate to or concern the Cult Awareness
16 Network, Priscilla Coates, Cynthia Kisser or Dennis Erlich, including, without
17 limitation, correspondence, memoranda, notes, invoices, billing slips, tape
18 recordings, videotapes or records of any kind;

19 **DEFENDANT ARMSTRONG'S RESPONSE TO REQUEST NO. 15:**

20 15. Too general to be susceptible of reasonable interpretation. Attorney
21 work product privilege. Joint defense privilege. Obtainable from some other
22 source. Unreasonably cumulative. Unduly burdensome and expensive. First
23 amendment free speech privilege. First Amendment religious liberty. Privacy
24 privilege.

25 **REQUEST NO. 16:**

26 16. All correspondence of any kind which you received from the Cult
27 Awareness Network, Priscilla Coates, Cynthia Kisser, or Dennis Erlich, their
28 employees, agents, attorneys, representatives, officers, directors or assigns, after

1 December 6, 1986, which relates to or concerns the plaintiff or any of the entities
2 or individuals listed or referred to in paragraph 1 of the "Mutual Release of All
3 Claims and Settlement Agreement" of December, 1986, a copy of which is
4 attached to the Complaint in this action as Exhibit A;

5 **DEFENDANT ARMSTRONG'S RESPONSE TO REQUEST NO. 16:**

6 16. Too general to be susceptible of reasonable interpretation. Attorney
7 work product privilege. Joint defense privilege. Obtainable from some other
8 source. Unreasonably cumulative. Unduly burdensome and expensive. First
9 amendment free speech privilege. First Amendment religious liberty. Privacy
10 privilege.

11 **REQUEST NO. 17:**

12 17. All correspondence of any kind which you sent to the Cult Awareness
13 Network, Priscilla Coates, Cynthia Kisser, or Dennis Erlich, their employees,
14 agents, attorneys, representatives, officers, directors or assigns, after December 6,
15 1986, which relates to or concerns the plaintiff or any of the entities or individuals
16 listed or referred to in paragraph 1 of the "Mutual Release of All Claims and
17 Settlement Agreement" of December, 1986, a copy of which is attached to the
18 Complaint in this action as Exhibit A;

19 **DEFENDANT ARMSTRONG'S RESPONSE TO REQUEST NO. 17:**

20 17. Too general to be susceptible of reasonable interpretation. Attorney
21 work product privilege. Joint defense privilege. Obtainable from some other
22 source. Unreasonably cumulative. Unduly burdensome and expensive. First
23 amendment free speech privilege. First Amendment religious liberty. Privacy
24 privilege.

25 **REQUEST NO. 18:**

26 18. All correspondence of any kind which you received from Orrick,
27 Herrington & Sutcliffe, Cynthia Remmers, Timothy Long, William Darden or Marie
28 Cawley, their employees, agents, representatives, officers, directors or assigns,

1 after December 6, 1986, which relates to or concerns the plaintiff or any of the
2 entities or individuals listed or referred to in paragraph 1 of the "Mutual Release of
3 All Claims and Settlement Agreement" of December, 1986, a copy of which is
4 attached to the Complaint in this action as Exhibit A;

5 **DEFENDANT ARMSTRONG'S RESPONSE TO REQUEST NO. 18:**

6 18. Too general to be susceptible of reasonable interpretation. Attorney
7 work product privilege. Joint defense privilege. Obtainable from some other
8 source. Unreasonably cumulative. Unduly burdensome and expensive. First
9 amendment free speech privilege. First Amendment religious liberty. Privacy
10 privilege.

11 **REQUEST NO. 19:**

12 19. All correspondence of any kind which you sent to Orrick, Herrington &
13 Sutcliffe, Cynthia Remmers, Timothy Long, William Darden or Marie Cawley, their
14 employees, agents, representatives, officers, directors or assigns, after December
15 6, 1986, which relates to or concerns the plaintiff or any of the entities or
16 individuals listed or referred to in paragraph 1 of the "Mutual Release of All Claims
17 and Settlement Agreement" of December, 1986, a copy of which is attached to
18 the Complaint in this action as Exhibit A;

19 **DEFENDANT ARMSTRONG'S RESPONSE TO REQUEST NO. 19:**

20 19. Too general to be susceptible of reasonable interpretation. Attorney
21 work product privilege. Joint defense privilege. Obtainable from some other
22 source. Unreasonably cumulative. Unduly burdensome and expensive. First
23 amendment free speech privilege. First Amendment religious liberty. Privacy
24 privilege.

25 **REQUEST NO. 26:**

26 26. All correspondence of any kind which you received from John Clifton
27 Elstead, John C. Rogalski, Nancy Miller or James Rummond, their employees,
28 agents, representatives, officers, directors or assigns, after December 6, 1986,

1 which relates to or concerns the plaintiff or any of the entities or individuals listed
2 or referred to in paragraph 1 of the "Mutual Release of All Claims and Settlement
3 Agreement" of December, 1986, a copy of which is attached to the Complaint in
4 this action as Exhibit A;

5 **DEFENDANT ARMSTRONG'S RESPONSE TO REQUEST NO. 26:**

6 26. Too general to be susceptible of reasonable interpretation. Attorney
7 work product privilege. Joint defense privilege. Priest penitent privilege.
8 Obtainable from some other source. Unreasonably cumulative. Unduly
9 burdensome and expensive. First amendment free speech privilege. First
10 Amendment religious liberty. Privacy privilege.

11 **REQUEST NO. 27:**

12 27. All correspondence of any kind which you sent to John Clifton
13 Elstead, John C. Rogalski, Nancy Miller or James Rummond, their employees,
14 agents, representatives, officers, directors or assigns, after December 6, 1986,
15 which relates to or concerns the plaintiff or any of the entities or individuals listed
16 or referred to in paragraph 1 of the "Mutual Release of All Claims and Settlement
17 Agreement" of December, 1986, a copy of which is attached to the Complaint in
18 this action as Exhibit A;

19 **DEFENDANT ARMSTRONG'S RESPONSE TO REQUEST NO. 27:**

20 27. Too general to be susceptible of reasonable interpretation. Attorney
21 work product privilege. Joint defense privilege. Priest penitent privilege.
22 Obtainable from some other source. Unreasonably cumulative. Unduly
23 burdensome and expensive. First amendment free speech privilege. First
24 Amendment religious liberty. Privacy privilege.

25 **REQUEST NO. 28:**

26 28. All documents which mention, concern, relate or refer to plaintiff or
27 any of the entities or individuals listed in paragraph 1 of the "Mutual Release of All
28 Claims and Settlement Agreement" of December, 1986, a copy of which is

1 attached to the Complaint in this action as Exhibit A, which you delivered at any
2 time to Ford Greene or John Elstead, provided, however, that this request shall not
3 be construed to request documents which comprise attorney-client
4 communications or attorney work product;

5 **DEFENDANT ARMSTRONG'S RESPONSE TO REQUEST NO. 28:**

6 28. Too general to be susceptible of reasonable interpretation. Attorney
7 work product privilege. Joint defense privilege. Priest penitent privilege.
8 Obtainable from some other source. Unreasonably cumulative. Unduly
9 burdensome and expensive. First amendment free speech privilege. First
10 Amendment religious liberty. Privacy privilege.

11 **REQUEST NO. 29:**

12 29. Any book, manuscript or other literary work written by you in any
13 form, whether in handwritten form, typed or printed manuscript form, galley
14 proofs, on computer disk, which concern in any way your experiences with
15 plaintiff or any of the entities or individuals listed or referred to in paragraph 1 of
16 the "Mutual Release of All Claims and Settlement Agreement" of December, 1986,
17 a copy of which is attached to the Complaint in this action as Exhibit A, or with
18 the Internal Revenue Service, or which in any way refer to any Church of
19 Scientology, the Scientology religion, any member of any Church of Scientology,
20 any of the entities or individuals listed or referred to in paragraph 1 of the "Mutual
21 Release of All Claims and Settlement Agreement" of December, 1986, a copy of
22 which is attached to the Complaint in this action as Exhibit A, or to the Internal
23 Revenue Service;

24 **DEFENDANT ARMSTRONG'S RESPONSE TO REQUEST NO. 29:**

25 29. Too general to be susceptible of reasonable interpretation. Attorney
26 client privilege. Attorney work product privilege. Joint defense privilege. Priest
27 penitent privilege. Obtainable from some other source. Unreasonably cumulative.
28 Unduly burdensome and expensive. First amendment free speech privilege. First

1 Amendment religious liberty. Privacy privilege.

2 **REQUEST NO. 30:**

3 30. Any document of any kind, including receipts, cancelled checks,
4 invoices, billings or other documents referring to or reflecting in any manner on the
5 payment to you of money, from December, 1986 until the present, by Joseph A.
6 Yanny, Joseph A. Yanny, P.C., Ford Greene, the Hub Law Offices, John Elstead,
7 James Rummond, John C. Rogalski, Toby Plevin, Graham Berry, David Parker,
8 Lewis, D'Amato, Brisbois and Bisgaard, Barry Van Sickle, Richard Wynne,
9 Cummins & White, Bent Corydon, Paul Morantz, Richard Aznaran, Vicki Aznaran,
10 their employees, agents, representatives, officers, directors or assigns, in exchange
11 for your services or to reimburse you for expenses allegedly incurred by you, in
12 aiding them in legal disputes, other than your own, with plaintiff or any of the
13 entities or individuals listed or referred to in paragraph 1 of the "Mutual Release of
14 All Claims and Settlement Agreement" of December, 1986, a copy of which is
15 attached to the Complaint in this action as Exhibit A;

16 **DEFENDANT ARMSTRONG'S RESPONSE TO REQUEST NO. 30:**

17 30. Too general to be susceptible of reasonable interpretation. Attorney
18 client privilege. Attorney work product privilege. Joint defense privilege. Priest
19 penitent privilege. Obtainable from some other source. Unreasonably cumulative.
20 Unduly burdensome and expensive. First amendment free speech privilege. First
21 Amendment religious liberty. Privacy privilege.

22 **REQUEST NO. 31:**

23 31. Any document which refers to, concerns or mentions plaintiff or any
24 of the entities or individuals listed or referred to in paragraph 1 of the "Mutual
25 Release of All Claims and Settlement Agreement" of December, 1986, a copy of
26 which is attached to the Complaint in this action as Exhibit A, which you or your
27 attorneys, from December 6, 1986 to the present, provided to any representative
28 of the media, including but not limited to television, newspaper and/or radio

1 representatives;

2 **DEFENDANT ARMSTRONG'S RESPONSE TO REQUEST NO. 31:**

3 31. Too general to be susceptible of reasonable interpretation. Attorney
4 client privilege. Attorney work product privilege. Joint defense privilege. Priest
5 penitent privilege. Obtainable from some other source. Unreasonably cumulative.
6 Unduly burdensome and expensive. First amendment free speech privilege. First
7 Amendment religious liberty. Privacy privilege.

8 **F. DOCUMENT REQUESTS TO THE GERALD ARMSTRONG CORPORATION**
9 **("GAC")**

10 **REQUEST NO. 1:**

11 1. All documents in your possession which in any way discuss, mention,
12 concern, relate or refer to the Church of Scientology International, the Religious
13 Technology Center, L. Ron Hubbard, any Church of Scientology, or any of the
14 entities or individuals listed or referred to in paragraph 1 of the "Mutual Release of
15 All Claims and Settlement Agreement" of December, 1986, a copy of which is
16 attached to the Complaint in this action as Exhibit A;

17 **GAC'S RESPONSE TO REQUEST NO. 1:**

18 1. This responding non-party generally objects to plaintiff's subpoena
19 duces tecum as it is in violation of California Civil Code Sec. 3517 which states
20 that no one may take advantage of his own wrong;

21 2. As a separate and general objection this responding non-party objects
22 to plaintiff's subpoena duces tecum because plaintiff has unclean hands and the
23 doors of the court should be shut against it in limine;

24 3. As a separate and general objection this responding non-party objects
25 to plaintiff's subpoena duces tecum because it is burdensome and oppressive;

26 4. As a separate and general objection this responding non-party objects
27 to plaintiff's subpoena duces tecum because it seeks information protected by the
28 attorney-client privilege;

1 5. As a separate and general objection this responding non-party objects
2 to plaintiff's subpoena duces tecum because the documents demanded are irrelevant
3 to the subject matter and not calculated to lead to the discovery of admissible
4 evidence;

5 6. As a separate and general objection this responding non-party objects
6 to plaintiff's subpoena duces tecum because it demands production of religious
7 materials protected by holy privilege and subject to First Amendment (U.S.C.A.
8 Const. Amend.);

9 7. As a separate and general objection this responding non-party objects
10 to plaintiff's subpoena duces tecum because it is suppressive of the constitutionally
11 guaranteed right of free speech;

12 8. As a separate and general objection this responding non-party objects
13 to plaintiff's subpoena duces tecum because it is overboard, ambiguous, amorphous
14 and ridiculous;

15 9. As a separate and general objection this responding non-party objects
16 to plaintiff's subpoena duces tecum because it demands information protected by
17 the psychotherapist-patient privilege;

18 10. As a separate and general objection this responding non-party objects
19 to plaintiff's subpoena duces tecum because it demands information protected by
20 the priest-penitent privilege;

21 11. As a separate and general objection this responding non-party objects
22 to plaintiff's subpoena duces tecum because it demands production of documents
23 protected by the paralegal/attorney work product privilege;

24 12. As a separate and general objection this responding non-party objects
25 to plaintiff's subpoena duces tecum because it intrudes into the constitutionally
26 protected right of privacy;

27 13. As a separate and general objection this responding non-party objects
28 to plaintiff's subpoena duces tecum because it intrudes into the constitutionally

1 protected right of privacy of third parties;

2 14. As a separate and general objection this responding non-party objects
3 to plaintiff's subpoena duces tecum because categories therein are not specified,
4 pursuant to California Code of Civil Procedure, reasonable particularity;

5 15. As a separate and general objection this responding non-party objects
6 to plaintiff's subpoena duces tecum because it demands unpublished materials
7 protected by the newsman's privilege;

8 16. As a separate and general objection this responding non-party objects
9 to plaintiff's subpoena duces tecum because it is in furtherance of a crime;

10 17. As a separate and general objection this responding non-party objects
11 to plaintiff's subpoena duces tecum because it demands protected trade secrets;

12 18. As a separate and general objection this responding non-party objects
13 to plaintiff's subpoena duces tecum because it demands protected religious trade
14 secrets;

15 19. Regarding demand 1, section B. of Exhibit A to plaintiff's notice of
16 taking the deposition of The Gerald Armstrong Corporation pertaining to plaintiff's
17 subpoena duces tecum, responding non-party repeats objections 1 through 18
18 above and objects moreover and specifically because there is no Exhibit A attached
19 to the complaint in this action; nor is there a statement or hint in the complaint
20 that there was intended to be attached an Exhibit A thereto;

21 **REQUEST NO. 2:**

22 2. All documents obtained by you from plaintiff or from any of the
23 entities or individuals listed or referred to in paragraph 1 "Mutual Release of All
24 Claims and Settlement Agreement" of December, 1986, a copy of which is
25 attached to the Complaint in this action as Exhibit A;

26 **GAC'S RESPONSE TO REQUEST NO. 2:**

27 20. Regarding demand 2, section B. of Exhibit A to plaintiff's notice of
28 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's

1 subpoena duces tecum, responding non-party repeats objections 1 through 19
2 above and objects moreover and specifically because there again Exhibit A is
3 missing;

4 **REQUEST NO. 3:**

5 3. All documents which relate to or concern Gerald Armstrong's legal
6 disputes with plaintiff, Religious Technology Center or Church of Scientology of
7 California, including, without limitation, correspondence, memoranda, notes,
8 invoices, billing slips, tape recordings, videotapes or records of any kind;

9 **GAC'S RESPONSE TO REQUEST NO. 3:**

10 21. Regarding demand 3, section B. of Exhibit A to plaintiff's notice of
11 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
12 subpoena duces tecum, responding non-party repeats objections 1 through 18
13 above and objects moreover and specifically because it is offensive, burdensome
14 and mean spirited since plaintiff possesses all such documents. Nevertheless,
15 responding party will produce documents described in this demand which are not
16 otherwise privileged as expeditiously as reasonable and on the basis of prepayment
17 by plaintiff of copying charges.

18 **REQUEST NO. 4:**

19 4. All correspondence of any kind received by you from Gerald
20 Armstrong, his employees, agents, representatives, attorneys, officers, directors or
21 assigns, after December 6, 1986, which relates to or concerns the plaintiff or any
22 of the entities or individuals listed or referred to in paragraph 1 of the "Mutual
23 Release of All Claims and Settlement Agreement" of December, 1986, a copy of
24 which is attached to the Complaint in this action as Exhibit A;

25 **GAC'S RESPONSE TO REQUEST NO. 4:**

26 22. Regarding demand 4, section B. of Exhibit A to plaintiff's notice of
27 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
28 subpoena duces tecum, responding non-party repeats objections 1 through 19

1 above;

2 **REQUEST NO. 5:**

3 5. All correspondence of any kind which you sent to Gerald Armstrong,
4 his employees, agents, representatives, attorneys, officers, directors or assigns,
5 after December 6, 1986, which relates to or concerns the plaintiff or any of the
6 entities or individuals listed or referred to in paragraph 1 of the "Mutual Release of
7 All Claims and Settlement Agreement" of December, 1986, a copy of which is
8 attached to the Complaint in this action as Exhibit A;

9 **GAC'S RESPONSE TO REQUEST NO. 5:**

10 23. Regarding demand 5, section B. of Exhibit A to plaintiff's notice of
11 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
12 subpoena duces tecum, responding non-party repeats objections 1 through 19
13 above;

14 **REQUEST NO. 6:**

15 6. All documents which relate to or concern Joseph A. Yanny's legal
16 disputes with plaintiff, Religious Technology Center or Church of Scientology of
17 California, including, without limitation, correspondence, memoranda, notes,
18 invoices, billing slips, tape recordings, videotapes or records of any kind;

19 **GAC'S RESPONSE TO REQUEST NO. 6:**

20 24. Regarding demand 6, section B. of Exhibit A to plaintiff's notice of
21 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
22 subpoena duces tecum, responding non-party repeats objections 1 through 18
23 above. Nevertheless, responding party will produce documents described in this
24 demand which are not otherwise privileged as expeditiously as reasonable and on
25 the basis of prepayment by plaintiff of copying charges.

26 **REQUEST NO. 7:**

27 7. All correspondence of any kind received by you from Joseph A.
28 Yanny, or Joseph A. Yanny, P.C., their employees, agents, representatives,

1 attorneys, officers, directors or assigns, after December 6, 1986, which relates to
2 or concerns the plaintiff or any of the entities or individuals listed or referred to in
3 paragraph 1 of the "Mutual Release of All Claims and Settlement Agreement" of
4 December, 1986, a copy of which is attached to the Complaint in this action as
5 Exhibit A;

6 **GAC'S RESPONSE TO REQUEST NO. 7:**

7 25. Regarding demand 7, section B. of Exhibit A to plaintiff's notice of
8 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
9 subpoena duces tecum, responding non-party repeats objections 1 through 19
10 above. Nevertheless, responding party will produce documents described in this
11 demand which are not otherwise privileged as expeditiously as reasonable and on
12 the basis of prepayment by plaintiff of copying charges.

13 **REQUEST NO. 8:**

14 8. All correspondence of any kind which you sent to Joseph A. Yanny,
15 or Joseph A. Yanny, P.C., their employees, agents, representatives, attorneys,
16 officers, directors or assigns, after December 6, 1986, which relates to or
17 concerns the plaintiff or any of the entities or individuals listed or referred to in
18 paragraph 1 of the "Mutual Release of All Claims and Settlement Agreement" of
19 December, 1986, a copy of which is attached to the Complaint in this action as
20 Exhibit A;

21 **GAC'S RESPONSE TO REQUEST NO. 8:**

22 26. Regarding demand 8, section B. of Exhibit A to plaintiff's notice of
23 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
24 subpoena duces tecum, responding non-party repeats objections 1 through 19
25 above. Nevertheless, responding party will produce documents described in this
26 demand which are not otherwise privileged as expeditiously as reasonable and on
27 the basis of prepayment by plaintiff of copying charges.

28 **REQUEST NO. 9:**

1 5. All documents which relate to or concern Vicki or Richard Aznaran's
2 legal disputes with plaintiff or Religious Technology Center, including, without
3 limitation, correspondence, memoranda, notes, invoices, billing slips, tape
4 recordings, videotapes or records of any kind;

5 **GAC'S RESPONSE TO REQUEST NO. 9:**

6 27. Regarding demand 9, section B. of Exhibit A to plaintiff's notice of
7 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
8 subpoena duces tecum, responding non-party repeats objections 1 through 19
9 above. Nevertheless, responding party will produce documents described in this
10 demand which are not otherwise privileged as expeditiously as reasonable and on
11 the basis of prepayment by plaintiff of copying charges.

12 **REQUEST NO. 10:**

13 10. All correspondence of any kind received by you from Vicki or Richard
14 Aznaran, their employees, agents, representatives, attorneys, officers, directors or
15 assigns, after December 6, 1986, which relates to or concerns the plaintiff or any
16 of the entities or individuals listed or referred to in paragraph 1 of the "Mutual
17 Release of All Claims and Settlement Agreement" of December, 1986, a copy of
18 which is attached to the Complaint in this action as Exhibit A;

19 **GAC'S RESPONSE TO REQUEST NO. 10:**

20 28. Regarding demand 10, section B. of Exhibit A to plaintiff's notice of
21 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
22 subpoena duces tecum, responding non-party repeats objections 1 through 19
23 above. Nevertheless, responding party will produce documents described in this
24 demand which are not otherwise privileged as expeditiously as reasonable and on
25 the basis of prepayment by plaintiff of copying charges.

26 **REQUEST NO. 11:**

27 11. All correspondence of any kind which you sent to Vicki or Richard
28 Aznaran, their employees, agents, representatives, officers, attorneys, directors or

1 assigns, after December 6, 1986, which relates to or concerns the plaintiff or any
2 of the entities or individuals listed or referred to in paragraph 1 of the "Mutual
3 Release of All Claims and Settlement Agreement" of December, 1986, a copy of
4 which is attached to the Complaint in this action as Exhibit A;

5 **GAC'S RESPONSE TO REQUEST NO. 11:**

6 29. Regarding demand 11, section B. of Exhibit A to plaintiff's notice of
7 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
8 subpoena duces tecum, responding non-party repeats objections 1 through 19
9 above. Nevertheless, responding party will produce documents described in this
10 demand which are not otherwise privileged as expeditiously as reasonable and on
11 the basis of prepayment by plaintiff of copying charges.

12 **REQUEST NO. 12:**

13 12. All documents which relate to or concern Bent Corydon's legal
14 disputes with plaintiff or any of the entities or individuals listed or referred to in
15 paragraph 1 of the "Mutual Release of All Claims and Settlement Agreement" of
16 December, 1986, a copy of which is attached to the Complaint in this action as
17 Exhibit A, including, without limitation, correspondence, memoranda, notes,
18 invoices, billing slips, tape recordings, videotapes or records of any kind;

19 **GAC'S RESPONSE TO REQUEST NO. 12:**

20 30. Regarding demand 12, section B. of Exhibit A to plaintiff's notice of
21 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
22 subpoena duces tecum, responding non-party repeats objections 1 through 19
23 above. Nevertheless, responding party will produce documents described in this
24 demand which are not otherwise privileged as expeditiously as reasonable and on
25 the basis of prepayment by plaintiff of copying charges.

26 **REQUEST NO. 13:**

27 8. All correspondence of any kind received by you from Bent Corydon or
28 Mary Corydon, their employees, agents, representatives, attorneys, officers,

1 directors or assigns, after December 6, 1986, which relates to or concerns the
2 plaintiff or any of the entities or individuals listed or referred to in paragraph 1 of
3 the "Mutual Release of All Claims and Settlement Agreement" of December, 1986,
4 a copy of which is attached to the Complaint in this action as Exhibit A;

5 **GAC'S RESPONSE TO REQUEST NO. 13:**

6 31. Regarding demand 13, section B. of Exhibit A to plaintiff's notice of
7 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
8 subpoena duces tecum, responding non-party repeats objections 1 through 19
9 above. Nevertheless, responding party will produce documents described in this
10 demand which are not otherwise privileged as expeditiously as reasonable and on
11 the basis of prepayment by plaintiff of copying charges.

12 **REQUEST NO. 14:**

13 14. All correspondence of any kind which you sent to Bent Corydon or
14 Mary Corydon, their employees, agents, representatives, attorneys, officers,
15 directors or assigns, after December 6, 1986, which relates to or concerns the
16 plaintiff or any of the entities or individuals listed or referred to in paragraph 1 of
17 the "Mutual Release of All Claims and Settlement Agreement" of December, 1986,
18 a copy of which is attached to the Complaint in this action as Exhibit A;

19 **GAC'S RESPONSE TO REQUEST NO. 14:**

20 32. Regarding demand 14, section B. of Exhibit A to plaintiff's notice of
21 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
22 subpoena duces tecum, responding non-party repeats objections 1 through 19
23 above. Nevertheless, responding party will produce documents described in this
24 demand which are not otherwise privileged as expeditiously as reasonable and on
25 the basis of prepayment by plaintiff of copying charges.

26 **REQUEST NO. 15:**

27 15. All documents which relate to or concern Steven Hunziker, Kate
28 Schuchmann or Virginia Sanders' legal disputes with plaintiff or any of the entities

1 or individuals listed or referred to in paragraph 1 of the "Mutual Release of All
2 Claims and Settlement Agreement" of December, 1986, a copy of which is
3 attached to the Complaint in this action as Exhibit A, including, without limitation,
4 correspondence, memoranda, notes, invoices, billing slips, tape recordings,
5 videotapes or records of any kind;

6 **GAC'S RESPONSE TO REQUEST NO. 15:**

7 33. Regarding demand 15, section B. of Exhibit A to plaintiff's notice of
8 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
9 subpoena duces tecum, responding non-party repeats objections 1 through 19
10 above. Nevertheless, responding party will produce documents described in this
11 demand which are not otherwise privileged as expeditiously as reasonable and on
12 the basis of prepayment by plaintiff of copying charges.

13 **REQUEST NO. 16:**

14 16. All correspondence of any kind which you received from Steven
15 Hunziker, Kate Schuchmann or Virginia Sanders, their employees, agents,
16 representatives, attorneys, officers, directors or assigns, after December 6, 1986,
17 which relates to or concerns the plaintiff or any of the entities or individuals listed
18 or referred to in paragraph 1 of the "Mutual Release of All Claims and Settlement
19 Agreement" of December, 1986, a copy of which is attached to the Complaint in
20 this action as Exhibit A;

21 **GAC'S RESPONSE TO REQUEST NO. 16:**

22 34. Regarding demand 16, section B. of Exhibit A to plaintiff's notice of
23 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
24 subpoena duces tecum, responding non-party repeats objections 1 through 19
25 above. Nevertheless, responding party will produce documents described in this
26 demand which are not otherwise privileged as expeditiously as reasonable and on
27 the basis of prepayment by plaintiff of copying charges.

28 **REQUEST NO. 17:**

1 17. All correspondence of any kind which you sent to Steven Hunziker,
2 Kate Schuchmann or Virginia Sanders, their employees, agents, attorneys,
3 representatives, officers, directors or assigns, after December 6, 1986, which
4 relates to or concerns the plaintiff or any of the entities or individuals listed or
5 referred to in paragraph 1 of the "Mutual Release of All Claims and Settlement
6 Agreement" of December, 1986, a copy of which is attached to the Complaint in
7 this action as Exhibit A;

8 **GAC'S RESPONSE TO REQUEST NO. 17:**

9 35. Regarding demand 17, section B. of Exhibit A to plaintiff's notice of
10 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
11 subpoena duces tecum, responding non-party repeats objections 1 through 19
12 above. Nevertheless, responding party will produce documents described in this
13 demand which are not otherwise privileged as expeditiously as reasonable and on
14 the basis of prepayment by plaintiff of copying charges.

15 **REQUEST NO. 18:**

16 18. All documents which relate to or concern the Cult Awareness
17 Network, Priscilla Coates, Cynthia Kisser or Dennis Erlich, including, without
18 limitation, correspondence, memoranda, notes, invoices, billing slips, tape
19 recordings, videotapes or records of any kind;

20 **GAC'S RESPONSE TO REQUEST NO. 18:**

21 36. Regarding demand 18, section B. of Exhibit A to plaintiff's notice of
22 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
23 subpoena duces tecum, responding non-party repeats objections 1 through 19
24 above. Nevertheless, responding party will produce documents described in this
25 demand which are not otherwise privileged as expeditiously as reasonable and on
26 the basis of prepayment by plaintiff of copying charges.

27 **REQUEST NO. 19:**

28 19. All correspondence of any kind which you received from the Cult

1 Awareness Network, Priscilla Coates, Cynthia Kisser, or Dennis Erlich, their
2 employees, agents, attorneys, representatives, officers, directors or assigns, after
3 December 6, 1986, which relates to or concerns the plaintiff or any of the entities
4 or individuals listed or referred to in paragraph 1 of the "Mutual Release of All
5 Claims and Settlement Agreement" of December, 1986, a copy of which is
6 attached to the Complaint in this actio as Exhibit A;

7 **GAC'S RESPONSE TO REQUEST NO. 19:**

8 37. Regarding demand 19, section B. of Exhibit A to plaintiff's notice of
9 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
10 subpoena duces tecum, responding non-party repeats objections 1 through 19
11 above. Nevertheless, responding party will produce documents described in this
12 demand which are not otherwise privileged as expeditiously as reasonable and on
13 the basis of prepayment by plaintiff of copying charges.

14 **REQUEST NO. 20:**

15 20. All correspondence of any kind which you sent to the Cult Awareness
16 Network, Priscilla Coates, Cynthia Kisser, or Dennis Erlich, their employees,
17 agents, attorneys, representatives, officers, directors or assigns, after December 6,
18 1986, which relates to or concerns the plaintiff or any of the entities or individuals
19 listed or referred to in paragraph 1 of the "Mutual Release of All Claims and
20 Settlement Agreement" of December, 1986, a copy of which is attached to the
21 Complaint in this action as Exhibit A;

22 **GAC'S RESPONSE TO REQUEST NO. 20:**

23 38. Regarding demand 20, section B. of Exhibit A to plaintiff's notice of
24 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
25 subpoena duces tecum, responding non-party repeats objections 1 through 19
26 above. Nevertheless, responding party will produce documents described in this
27 demand which are not otherwise privileged as expeditiously as reasonable and on
28 the basis of prepayment by plaintiff of copying charges.

REQUEST NO. 21:

21. All correspondence of any kind which you received from Orrick, Herrington & Sutcliffe, Cynthia Remmers, Timothy Long, William Darden or Marie Cawley, their employees, agents, representatives, officers, directors or assigns, after December 6, 1986, which relates to or concerns the plaintiff or any of the entities or individuals listed or referred to in paragraph 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986, a copy of which is attached to the Complaint in this action as Exhibit A;

GAC'S RESPONSE TO REQUEST NO. 21:

39. Regarding demand 21, section B. of Exhibit A to plaintiff's notice of taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's subpoena duces tecum, responding non-party repeats objections 1 through 19 above. Nevertheless, responding party will produce documents described in this demand which are not otherwise privileged as expeditiously as reasonable and on the basis of prepayment by plaintiff of copying charges.

REQUEST NO. 22:

22. All correspondence of any kind which you sent to Orrick, Herrington & Sutcliffe, Cynthia Remmers, Timothy Long, William Darden or Marie Cawley, their employees, agents, representatives, officers, directors or assigns, after December 6, 1986, which relates to or concerns the plaintiff or any of the entities or individuals listed or referred to in paragraph 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986, a copy of which is attached to the Complaint in this action as Exhibit A;

GAC'S RESPONSE TO REQUEST NO. 22:

40. Regarding demand 22, section B. of Exhibit A to plaintiff's notice of taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's subpoena duces tecum, responding non-party repeats objections 1 through 19 above. Nevertheless, responding party will produce documents described in this

1 demand which are not otherwise privileged as expeditiously as reasonable and on
2 the basis of prepayment by plaintiff of copying charges.

3 **REQUEST NO. 23:**

4 23. All documents which relate to or concern David Mayo's legal disputes
5 with plaintiff or any of the entities or individuals listed in paragraph 1 of the
6 "Mutual Release of All Claims and Settlement Agreement" of December, 1986, a
7 copy of which is attached to the Complaint in this action as Exhibit A, including,
8 without limitation, correspondence, memoranda, notes, invoices, billing slips, tape
9 recordings, videotapes or records of any kind;

10 **GAC'S RESPONSE TO REQUEST NO. 23:**

11 41. Regarding demand 23, section B. of Exhibit A to plaintiff's notice of
12 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
13 subpoena duces tecum, responding non-party repeats objections 1 through 19
14 above. Nevertheless, responding party will produce documents described in this
15 demand which are not otherwise privileged as expeditiously as reasonable and on
16 the basis of prepayment by plaintiff of copying charges.

17 **REQUEST NO. 24:**

18 24. All correspondence of any kind which you received from David Mayo,
19 Jerold Fagelbaum, Bright & Powel, Gary Bright, the Church of the New Civilization,
20 John Nelson, Harvey Haber, Vivien Zegel or Dede Reisdorf, their employees,
21 agents, attorneys, representatives, officers, directors or assigns, after December 6,
22 1986, which relates to or concerns the plaintiff or any of the entities or individuals
23 listed in paragraph 1 of the "Mutual Release of All Claims and Settlement
24 Agreement" of December, 1986, a copy of which is attached to the Complaint in
25 this action as Exhibit A;

26 **GAC'S RESPONSE TO REQUEST NO. 24:**

27 42. Regarding demand 24, section B. of Exhibit A to plaintiff's notice of
28 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's

1 subpoena duces tecum, responding non-party repeats objections 1 through 19
2 above. Nevertheless, responding party will produce documents described in this
3 demand which are not otherwise privileged as expeditiously as reasonable and on
4 the basis of prepayment by plaintiff of copying charges.

5 **REQUEST NO. 25:**

6 25. All correspondence of any kind which you sent to David Mayo, Jerold
7 Fagelbaum, Bright & Powel, Gary Bright, the Church of the New Civilization, John
8 Nelson, Harvey Haber, Vivien Zegel or Dede Reisdorf, their employees, agents,
9 representatives, attorneys, officers, directors or assigns, after December 6, 1986,
10 which relates to or concerns the plaintiff or any of the entities or individuals listed
11 in paragraph 1 of the "Mutual Release of All Claims and Settlement Agreement" of
12 December, 1986, a copy of which is attached to the Complaint in this action as
13 Exhibit A;

14 **GAC'S RESPONSE TO REQUEST NO. 25:**

15 43. Regarding demand 25, section B. of Exhibit A to plaintiff's notice of
16 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
17 subpoena duces tecum, responding non-party repeats objections 1 through 19
18 above. Nevertheless, responding party will produce documents described in this
19 demand which are not otherwise privileged as expeditiously as reasonable and on
20 the basis of prepayment by plaintiff of copying charges.

21 **REQUEST NO. 26:**

22 26. All documents which relate to or concern Larry Wollersheim's legal
23 disputes with plaintiff or any of the entities or individuals listed in paragraph 1 of
24 the "Mutual Release of All Claims and Settlement Agreement" of December, 1986,
25 a copy of which is attached to the Complaint in this action as Exhibit A, including,
26 without limitation, correspondence, memoranda, notes, invoices, billing slips, tape
27 recordings, videotapes or records of any kind;

28 **GAC'S RESPONSE TO REQUEST NO. 26:**

1 44. Regarding demand 26, section B. of Exhibit A to plaintiff's notice of
2 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
3 subpena duces tecum, responding non-party repeats objections 1 through 19
4 above. Nevertheless, responding party will produce documents described in this
5 demand which are not otherwise privileged as expeditiously as reasonable and on
6 the basis of prepayment by plaintiff of copying charges.

7 **REQUEST NO. 27:**

8 27. All correspondence of any kind received from Larry Wollersheim, his
9 employees, agents, attorneys, representatives, officers, directors or assigns, after
10 December 6, 1986, which relates to or concerns the plaintiff or any of the entities
11 or individuals listed in paragraph 1 of the "Mutual Release of All Claims and
12 Settlement Agreement" of December, 1986, a copy of which is attached to the
13 Complaint in this action as Exhibit A;

14 **GAC'S RESPONSE TO REQUEST NO. 27:**

15 45. Regarding demand 27, section B. of Exhibit A to plaintiff's notice of
16 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
17 subpena duces tecum, responding non-party repeats objections 1 through 19
18 above. Nevertheless, responding party will produce documents described in this
19 demand which are not otherwise privileged as expeditiously as reasonable and on
20 the basis of prepayment by plaintiff of copying charges.

21 **REQUEST NO. 28:**

22 28. All correspondence of any kind which you sent to Larry Wollersheim,
23 his employees, agents, representatives, officers, directors or assigns, after
24 December 6, 1986, which relates to or concerns the plaintiff or any of the entities
25 or individuals listed in paragraph 1 of the "Mutual Release of All Claims and
26 Settlement Agreement" of December, 1986, a copy of which is attached to the
27 Complaint in this action as Exhibit A;

28 **GAC'S RESPONSE TO REQUEST NO. 28:**

1 46. Regarding demand 28, section B. of Exhibit A to plaintiff's notice of
2 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
3 subpoena duces tecum, responding non-party repeats objections 1 through 19
4 above. Nevertheless, responding party will produce documents described in this
5 demand which are not otherwise privileged as expeditiously as reasonable and on
6 the basis of prepayment by plaintiff of copying charges.

7 **REQUEST NO. 29:**

8 29. All correspondence of any kind which you received from John Clifton
9 Elstead, John C. Rogalski, Nancy Miller or James Rummond, their employees,
10 agents, representatives, officers, directors or assigns, after December 6, 1986,
11 which relates to or concerns the plaintiff or any of the entities or individuals listed
12 or referred to in paragraph 1 of the "Mutual Release of All Claims and Settlement
13 Agreement" of December, 1986, a copy of which is attached to the Complaint in
14 this action as Exhibit A;

15 **GAC'S RESPONSE TO REQUEST NO. 29:**

16 47. Regarding demand 29, section B. of Exhibit A to plaintiff's notice of
17 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
18 subpoena duces tecum, responding non-party repeats objections 1 through 19
19 above. Nevertheless, responding party will produce documents described in this
20 demand which are not otherwise privileged as expeditiously as reasonable and on
21 the basis of prepayment by plaintiff of copying charges.

22 **REQUEST NO. 30:**

23 30. All correspondence of any kind which you sent to John Clifton
24 Elstead, John C. Rogalski, Nancy Miller or James Rummond, their employees,
25 agents, representatives, officers, directors or assigns, after December 6, 1986,
26 which relates to or concerns the plaintiff or any of the entities or individuals listed
27 or referred to in paragraph 1 of the "Mutual Release of All Claims and Settlement
28 Agreement" of December, 1986, a copy of which is attached to the Complaint in

1 this action as Exhibit A;

2 **GAC'S RESPONSE TO REQUEST NO. 30:**

3 48. Regarding demand 30, section B. of Exhibit A to plaintiff's notice of
4 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
5 subpoena duces tecum, responding non-party repeats objections 1 through 19
6 above. Nevertheless, responding party will produce documents described in this
7 demand which are not otherwise privileged as expeditiously as reasonable and on
8 the basis of prepayment by plaintiff of copying charges.

9 **REQUEST NO. 31:**

10 31. All documents which mention, concern, relate or refer to plaintiff or
11 any of the entities or individuals listed in paragraph 1 of the "Mutual Release of All
12 Claims and Settlement Agreement" of December, 1986, a copy of which is
13 attached to the Complaint in this action as Exhibit A, which you delivered at any
14 time to Ford Greene or John Elstead, provided, however, that this request shall not
15 be construed to request documents which comprise attorney-client
16 communications or attorney work product;

17 **GAC'S RESPONSE TO REQUEST NO. 31:**

18 49. Regarding demand 31, section B. of Exhibit A to plaintiff's notice of
19 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
20 subpoena duces tecum, responding non-party repeats objections 1 through 19
21 above. Nevertheless, responding party will produce documents described in this
22 demand which are not otherwise privileged as expeditiously as reasonable and on
23 the basis of prepayment by plaintiff of copying charges.

24 **REQUEST NO. 32:**

25 32. Any book, manuscript or other literary work written by you in any
26 form, whether in handwritten form, typed or printed manuscript form, galley
27 proofs, on computer disk, which concern in any way your experiences with
28 plaintiff or any of the entities or individuals listed or referred to in paragraph 1 of

1 the "Mutual Release of All Claims and Settlement Agreement" of December, 1986,
2 a copy of which is attached to the Complaint in this action as Exhibit A, or with
3 the Internal Revenue Service, or which in any way refer to any Church of
4 Scientology, the Scientology religion, any member of any Church of Scientology,
5 any of the entities or individuals listed or referred to in paragraph 1 of the "Mutual
6 Release of All Claims and Settlement Agreement" of December, 1986, a copy of
7 which is attached to the Complaint in this action as Exhibit A, or to the Internal
8 Revenue Service;

9 **GAC'S RESPONSE TO REQUEST NO. 32:**

10 50. Regarding demand 32, section B. of Exhibit A to plaintiff's notice of
11 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
12 subpoena duces tecum, responding non-party repeats objections 1 through 19
13 above.

14 **REQUEST NO. 33:**

15 33. Any document of any kind, including receipts, cancelled checks,
16 invoices, billings or other documents referring to or reflecting in any manner on the
17 payment to you of money, from December, 1986 until the present, by Joseph A.
18 Yanny, Joseph A. Yanny, P.C., Ford Greene, the Hub Law Offices, John Elstead,
19 James Rummond, John C. Rogalski, Toby Plevin, Graham Berry, David Parker,
20 Lewis, D'Amato, Brisbois and Bisgaard, Barry Van Sickle, Richard Wynne,
21 Cummins & White, Bent Corydon, Paul Morantz, Richard Aznaran, Vicki Aznaran,
22 their employees, agents, representatives, officers, directors or assigns, in exchange
23 for your services or to reimburse you for expenses allegedly incurred by you, in
24 aiding them in legal disputes, other than your own, with plaintiff or any of the
25 entities or individuals listed or referred to in paragraph 1 of the "Mutual Release of
26 All Claims and Settlement Agreement" of December, 1986, a copy of which is
27 attached to the Complaint in this action as Exhibit A;

28 **GAC'S RESPONSE TO REQUEST NO. 33:**

1 51. Regarding demand 33, section B. of Exhibit A to plaintiff's notice of
2 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
3 subpoena duces tecum, responding non-party repeats objections 1 through 19
4 above.

5 **REQUEST NO. 34:**

6 34. Any document which refers to, concerns or mentions plaintiff or any
7 of the entities or individuals listed or referred to in paragraph 1 of the "Mutual
8 Release of All Claims and Settlement Agreement" of December, 1986, a copy of
9 which is attached to the Complaint in this action as Exhibit A, which you or your
10 attorneys, from December 6, 1986 to the present, provided to any representative
11 of the media, including but not limited to television, newspaper and/or radio
12 representatives;

13 **GAC'S RESPONSE TO REQUEST NO. 34:**

14 52. Regarding demand 34, section B. of Exhibit A to plaintiff's notice of
15 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
16 subpoena duces tecum, responding non-party repeats objections 1 through 19
17 above.

18 **REQUEST NO. 35:**

19 35. The Articles of Incorporation for the Gerald Armstrong Corporation;

20 **GAC'S RESPONSE TO REQUEST NO. 35:**

21 53. Regarding demand 35, section B. of Exhibit A to plaintiff's notice of
22 taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's
23 subpoena duces tecum, responding non-party repeats objections 1 through 18
24 above. Nevertheless, responding party will produce documents described in this
25 demand which are not otherwise privileged as expeditiously as reasonable and on
26 the basis of prepayment by plaintiff of copying charges.

27 **REQUEST NO. 36:**

28 36. The By-laws of the Gerald Armstrong Corporation;

GAC'S RESPONSE TO REQUEST NO. 36:

54. Regarding demand 36, section B. of Exhibit A to plaintiff's notice of taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's subpoena duces tecum, responding non-party repeats objections 1 through 18 above.

REQUEST NO. 37:

37. The Minutes of any meeting of the Board of Directors or the shareholders of the Gerald Armstrong Corporation;

GAC'S RESPONSE TO REQUEST NO. 37:

55. Regarding demand 37, section B. of Exhibit A to plaintiff's notice of taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's subpoena duces tecum, responding non-party repeats objections 1 through 19 above.

REQUEST NO. 38:

38. A copy of every literary or artistic work which is purportedly owned by the Gerald Armstrong Corporation and which refers or relates in any manner to your experiences with any of the entities or individuals listed or referred to in paragraph 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986, a copy of which is attached to the Complaint in this action as Exhibit A, or with the Internal Revenue Service, or which in any way refer to any Church of Scientology, the Scientology religion, any member of any Church of Scientology, any of the entities or individuals listed or referred to in paragraph 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986, a copy of which is attached to the Complaint in this action as Exhibit A, or to the Internal Revenue Service.

GAC'S RESPONSE TO REQUEST NO. 38:

56. Regarding demand 36, section B. of Exhibit A to plaintiff's notice of taking the deposition of the Gerald Armstrong Corporation pertaining to plaintiff's

1 subpoena duces tecum, responding non-party repeats objections 1 through 19
2 above.

3 **REASONS FOR COMPELLING RESPONSES TO CATEGORIES E AND F**

4 Both Armstrong and the Gerald Armstrong Corporation have admitted to the
5 possession of many documents, non-privileged, which are responsive to the
6 document requests which accompanied the notices of deposition, but have refused
7 to produce them for inspection and copying. As is evident from the requests
8 quoted above, the documents requested include things such as correspondence
9 between Armstrong and others which concern or refer to CSI and the other
10 protected entities and individuals; books or manuscripts written by Armstrong
11 which relate or refer to his experiences with Scientology; and documentation
12 concerning the payment to Armstrong of money or wages for his work as a
13 paralegal in cases in which CSI and related entities are opposing parties. All of
14 these requests are plainly and directly related to discovery of the extent of
15 Armstrong's breaches of the agreement. The requested documents represent
16 evidence of Armstrong's breach of his agreements not to discuss his experiences,
17 not to publish articles, books or materials concerning his experiences or aid others
18 in doing so, and not to voluntarily provide assistance to persons litigating or
19 seeking to litigate against the protected entities and individuals.

20 Defendants' response to these valid requests has been to make a mockery
21 of the discovery process. Armstrong first sought to charge CSI thousands of
22 dollars before he would even begin to look for any documents. Next, he refused to
23 produce any documents at all for inspection, claiming that he had over 3000 pages
24 that he was willing to produce, but only if CSI paid him \$1500 in advance for
25 copying. He has refused all reasonable offers of compromise. In addition, both
26 defendants have raised a panoply of objections in response to nearly every
27 document request, claiming that additional documents exist, but are privileged.
28 Contrary to the requirements of C.C.P. §2031(f)(3), defendants have not produced

1 a privilege log identifying these documents, so CSI is not able to ascertain whether
2 there is any merit to any of the claims of privilege. Indeed, most of the claims
3 appear to be boilerplate of the most nonsensical sort. For example, Request No.
4 19 asks for all correspondence which Armstrong sent to the attorneys for
5 defendants in the case of Hunziker v. Applied Materials, a case in which Armstrong
6 voluntarily appeared for deposition as an "expert witness" for plaintiff Hunziker on
7 the subject of his experiences as a member of the Scientology religion. Armstrong
8 claims that this request violates the attorney work product privilege, the "joint
9 defense" privilege, the "first amendment free speech" privilege, the "First
10 Amendment religious liberty" privilege, and the "privacy" privilege. It is difficult to
11 imagine how any correspondence which Armstrong, a witness hired by a plaintiff,
12 sent to the attorneys for a defendant, could possibly qualify for any of these
13 privileges. It is also hard to imagine how such correspondence could be
14 "obtainable [by CSI] from some other source," since CSI was not a party to that
15 litigation, or how it could be "unduly burdensome and expensive" for Armstrong to
16 produce whatever correspondence in the matter he has. Yet these are precisely
17 the objections raised to this, and 15 other requests, all similarly specific to possible
18 instances of breach by Armstrong, all relevant, and none obviously privileged.

19 Accordingly, CSI requests that defendants be ordered to produce, forthwith,
20 for inspection and copying, all documents responsive to the demands set forth in
21 the Separate Statement to which they do not claim a privilege, including but not
22 limited to the 3,000 pages which Armstrong has already admitted exist, together
23 with a log, pursuant to C.C.P. §2031(3)(f), "identify[ing] with particularity any
24 document . . . falling within any category of item in the demand to which an
25 objection is being made," and "set[ting] forth clearly the extent of, and the specific
26 ground for, the objection."

27 Dated: January 6, 1993

Respectfully submitted,

28 Andrew H. Wilson
WILSON, RYAN AND CAMPILONGO

BOWLES & MOXON

By:


Laurie J. BartilsonAttorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL1
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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, CA 90028.

On January 6, 1993, I served the foregoing document described as SEPARATE STATEMENT OF DEPOSITION QUESTIONS AND REQUESTS FOR INSPECTION OF DOCUMENTS TO BE COMPELLED on interested parties in this action as follows:

[] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Ford Greene
Hub Law Offices
711 Sir Francis Drake Boulevard
San Anselmo, CA 94960-1949

[X] BY MAIL -- I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

Executed on January 6, 1993, at Los Angeles, California.

[] BY PERSONAL SERVICE -- I delivered such envelopes by hand to the offices of the addressee.

Executed on _____, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Paul Brasfield
Type or Print Name


Signature

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, CA 90028.

On January 6, 1993, I served the foregoing document described as SEPARATE STATEMENT OF DEPOSITION QUESTIONS AND REQUESTS FOR INSPECTION OF DOCUMENTS TO BE COMPELLED on interested parties in this action as follows:

[] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Paul Morantz
P.O. Box 511
Pacific Palisades, CA 90272

[X] BY MAIL -- I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

Executed on January 6, 1993, at Los Angeles, California.

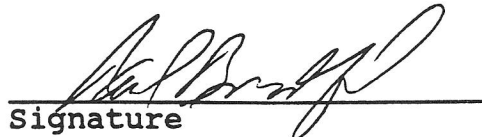
[] BY PERSONAL SERVICE -- I delivered such envelopes by hand to the offices of the addressee.

Executed on _____, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Paul Morantz
Type or Print Name


Signature

FOR THE COUNTY OF LOS ANGELES

HON. DAVID A. HOROWITZ, JUDGE

PLAINTIFF,

VS

GERALD ARMSTRONG, ET AL.,

DEFENDANT.

NO. BC052395

REPORTER'S TRANSCRIPT OF PROCEEDINGS
FRIDAY, FEBRUARY 19, 1993

APPEARANCES:

FOR PLAINTIFF:

BOWLES AND MOXON
BY: LAURIE J. BARTILSON, ESQ.
6255 SUNSET BOULEVARD
SUITE 2000
HOLLYWOOD, CALIFORNIA 90028

FOR DEFENDANT:

HUB LAW OFFICES
BY: FORD GREENE, ESQ.
711 SIR FRANCIS DRAKE BOULEVARD
SAN ANSELMO, CALIFORNIA 94960

B. CHARLINE HOWELL, CSR NO. 1296
OFFICIAL REPORTER

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1 LOS ANGELES, CALIFORNIA; FRIDAY, FEBRUARY 19, 1993

2 9:40 A.M.

3 DEPARTMENT NO. 30 HON. DAVID A. HOROWITZ, JUDGE

4 APPEARANCES: SEE TITLE PAGE

5
6 THE COURT: CHURCH OF SCIENTOLOGY VS ARMSTRONG.

7 MS. BARTILSON: LAURIE BARTILSON FOR PLAINTIFF,
8 CHURCH OF SCIENTOLOGY.

9 MR. GREENE: FORD GREENE FOR DEFENDANT GERALD
10 ARMSTRONG AND THE CORPORATION.

11 THE COURT: DO YOU WISH TO BE HEARD?

12 MR. GREENE: YOUR HONOR, I WAS UNABLE TO TELL
13 FROM YOUR TENTATIVE RULING WHETHER OR NOT THE BASIS OF
14 YOUR DECISION WAS PREDICATED ON A TECHNICAL READING OF
15 THE STATUTE, ON THE ALLEGED STIPULATION, OR ON BOTH.

16 AND I WOULD REQUEST IF I COULD GET SOME
17 ILLUMINATION FROM THE COURT WHETHER IT WAS BOTH OR ONE
18 OR THE OTHER AND I COULD THEN MAKE MY ARGUMENT MORE
19 DIRECTLY AND PRECISELY.

20 THE COURT: BASICALLY, THE DEPOSITION WAS NOT
21 COMPLETED IN THAT 30 DAY PERIOD OF CORRECTION. ALL OF
22 THAT WAS NOT DONE UNTIL DECEMBER 7 SO --

23 MR. GREENE: SO --

24 THE COURT: IT IS WITHIN 60 DAYS.

25 MR. GREENE: OKAY.

26 SO THE ISSUE IS, AS I READ THE STATUTE, IS
27 WHEN IS THE DEPOSITION TRANSCRIPT IS COMPLETED WITHIN
28 THE MEANING OF 2015(O).

1 AND READING THAT SECTION OF 2025, WITH THE
2 OTHER PROVISIONS OF 2025, I WOULD SUBMIT TO THE COURT
3 THAT THE TRANSCRIPT IS COMPLETED WHEN THE COURT REPORTER
4 EXECUTES THE CERTIFICATE THAT IS APPENDED TO THE END OF
5 IT. AND THAT THE MATTER OF THE DEPONENT MAKING
6 CORRECTIONS IS SEPARATE AND DISTINCT.

7 I WOULD POINT THE COURT'S ATTENTION TO
8 SECTION 2025(F). THAT SAYS THE STENOGRAPHIC TRANSCRIPT
9 IS THE OFFICIAL RECORD OF THAT TESTIMONY FOR ANY
10 HEARING, 2025(Q), WHERE THAT PROVISION REQUIRES THAT THE
11 DEPOSITION OFFICER SEND WRITTEN NOTICE WHEN THE ORIGINAL
12 TRANSCRIPT OF THE TESTIMONY IS AVAILABLE FOR READING,
13 CORRECTING, AND SIGNING.

14 2025(R), WHICH REQUIRES THE DEPOSITION
15 OFFICER TO CERTIFY THE DEPONENT WAS SWORN, THE
16 TRANSCRIPT WAS A TRUE, COMPLETE, AND ACCURATE RECORD OF
17 THE TESTIMONY TAKEN.

18 LOOKING AT THOSE PROVISIONS, IT WOULD
19 APPEAR THAT THE COMPLETION OF THE TRANSCRIPT DOES NOT
20 HAVE TO DO WITH WHEN THE COURT REPORTER -- OR DOES NOT
21 HAVE TO DO WITH WHEN THE DEPONENT CORRECTS THE
22 TRANSCRIPT, BUT HAS TO DO WITH WHEN THE COURT REPORTER
23 COMPLETES THE TRANSCRIPT AND SIGNS THE CERTIFICATE.

24 AND IN THIS CASE, BASED ON THAT ANALYSIS,
25 THE MOTION IS NOT TIMELY.

26 IF, AS INDICATED BY THE TENTATIVE RULING --
27 BEFORE I SAY THAT, LET ME ALSO SAY THAT IN THE STATUTE
28 THERE IS ALSO SPECIFIC LANGUAGE THAT TALKS ABOUT THE

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1 CORRECTIONS TO THE TRANSCRIPT. AND 2025(O) DOES NOT SAY
2 THAT THE 60 DAYS STARTS TO RUN AT THE POINT WHEN THE
3 ORIGINAL TRANSCRIPT IS CORRECTED.

4 IT STATES THAT THE 60 DAYS STARTS TO RUN
5 WHEN THE TRANSCRIPT IS COMPLETE. SO BASED ON THE FACT
6 THAT THERE ARE DISTINCT AND SEPARATE PHRASES OF LANGUAGE
7 THAT ARE USED TO REFER TO DIFFERENT FUNCTIONS OF 2025, I
8 THINK THE CORRECT READING OF THE STATUTE IS THAT THE 60
9 DAYS STARTS TO RUN AT THE TIME WHEN THE COURT REPORTER
10 COMPLETES THE TRANSCRIPTION. AND AS INDICATED BY THE
11 COURT REPORTER'S CERTIFICATE I BELIEVE THAT IS WHY THERE
12 IS THE CERTIFICATE APPENDED TO THE END OF EACH AND EVERY
13 DEPOSITION.

14 IF I AM WRONG, THE CONSEQUENCES ARE
15 TREMENDOUS. AND I BELIEVE THAT MY READING OF THE
16 STATUTE IS REASONABLE AND SUPPORTED BY THE LANGUAGE IN
17 IT.

18 IF THAT IS INCORRECT, I BELIEVE THAT IT IS
19 A REASONABLE MISTAKE, AND I WOULD SEEK LEAVE OF THE
20 COURT TO FILE MOTION FOR RELIEF PURSUANT TO CODE OF
21 CIVIL PROCEDURE 473, IN ORDER TO ADDRESS THAT.

22 AND THE REASON BEING IS THERE ARE IMPORTANT
23 MATTERS OF PRIVILEGE WHICH APPLY TO NOT ONLY MR.
24 ARMSTRONG, BUT TO OTHER INDIVIDUALS, AS WELL. AND IF MY
25 READING IS RIGHT, I BELIEVE OUR POSITION IS WELL TAKEN.

26 WITH THAT, I SUBMIT IT TO THE COURT AND
27 REQUEST NOW IF THE COURT UPHOLDS THE TENTATIVE RULING,
28 TO ALLOW US TO SET A 473 MOTION ON AN EXPEDITED BASIS SO

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AS TO ADDRESS THE RESULTS.

MS. BARTILSON: BRIEFLY, YOUR HONOR, I THINK MR. GREENE IS A BIT MISTAKEN IN HIS INTERPRETATION OF 2025.

2025 SUB (O) DOES NOT TALK ABOUT THE TRANSCRIPTS BEING COMPLETED, TALKS ABOUT THE RECORD OF THE DEPOSITION BEING COMPLETED.

AND THE RECORD OF DEPOSITION IS NOT COMPLETED UNTIL AS PROVIDED IN 2025(Q) AND STIPULATION OF COUNSEL IN THIS CASE, THE DEPOSITION HAS GONE TO THE DEPONENT TO READ AND CORRECT.

THE STATUTE CLEARLY PROVIDED FOR THAT IN 2025(Q) IS 30 DAYS. AND THAT IS ALSO WHAT MR. GREENE HAS SAID IN DEPOSITION. I THINK IN THIS CASE IT IS TOO LITTLE TOO LATE.

AS FOR THE REQUEST FOR RELIEF, THE MOTION HAS BEEN ON FILE FOR FIVE WEEKS, YOUR HONOR. WE DIDN'T JUST GIVE HIM 15 DAYS NOTICE ON IT. THERE WAS ABSOLUTELY NO REASON WHY MR. GREENE COULD NOT HAVE INCLUDED IN THE OPPOSITION MORE THAN JUST THE TECHNICAL ARGUMENT IT WAS UNTIMELY, IF HE HAD OTHER OPPOSITION TO BRING AS TO PRIVILEGES OR ANYTHING ELSE.

IT IS JUST MORE DELAY. AND FRANKLY, WE ARE COMING IN TIGHT ON CUTOFF, WE HAVE TO FILE MOTION FOR SUMMARY JUDGMENT, AND I NEED THIS DISCOVERY AND I NEED IT PROMPTLY. I DON'T NEED IT IN ANOTHER 30 DAYS OR 40 DAYS, OR 50 DAYS, WHILE HE TAKES THE TIME TO FILE ANOTHER MOTION.

SO I STRONGLY OPPOSE EFFORTS TO FILE A

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2 1 SECOND OPPOSITION, ESSENTIALLY WHEN HE HAD PLENTY TIME
2 TO DO ONE HERE AND DIDN'T DO IT.

3 THE COURT: OKAY.

4 MR. GREENE: IN BRIEF RESPONSE TO THAT, ONE, I AM
5 NOT ASKING FOR ANY 30 -- 40 DAYS AND WHAT EVER KIND OF
6 TIME BASIS THE COURT WOULD DEEM APPROPRIATE.

7 HOWEVER, EXPEDITED IS WHAT I WOULD REQUEST.

8 THE COURT: ALL RIGHT.

9 THE MOTION TO COMPEL ANSWERS TO DEPOSITION
10 IS GRANTED. WITHIN 20 DAYS. THERE WON'T BE ANY
11 SANCTIONS. MOTION IS TIMELY MADE.

12 THE REQUEST TO HAVE MOTION TO RECONSIDER AS
13 FAR AS THE SUBSTANCE OF THE OBJECTIONS TO THE QUESTIONS
14 ARE CONCERNED, THAT IS DENIED.

15 COUNSEL OBVIOUSLY MADE A DELIBERATE
16 DETERMINATION NOT TO RESPOND TO THE SUBSTANCE OF THE
17 MOTION, BUT RATHER RESPONDED TECHNICALLY AS TO WHETHER
18 IT WAS TIMELY OR NOT.

19 NO REASON I COULD SEE TO ALLOW FURTHER
20 BRIEFING AS TO THE SUBSTANCE.

21 SO THE MOTION TO COMPEL IS GRANTED. 20
22 DAYS. THERE WON'T BE ANY SANCTIONS. AND THAT WILL BE
23 THE ORDER.

24 MR. GREENE: I WOULD ADD, YOUR HONOR, JUST FOR
25 THE RECORD, IS THAT THERE ARE SUBSTANTIAL MATTERS OF
26 PRIVILEGE WHICH APPLIED TO OTHER PEOPLE IN ADDITION TO
27 MR. ARMSTRONG.

28 THE COURT: WELL, YOU SHOULD HAVE --

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2 1 MS. BARTILSON: HE SHOULD HAVE RAISED THEM.

2 THE COURT: -- RAISED THEM.

3 THE CLERK: NOTICE?

4 MS. BARTILSON: NOTICE WAIVED.

5 MR. GREENE: NOTICE IS WAIVED.

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 30

HON. DAVID A. HOROWITZ, JUDGE

CHURCH OF SCIENTOLOGY, ETC.,

PLAINTIFF,

VS

GERALD ARMSTRONG, ET AL.,

DEFENDANT.

NO. BC052395

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

SS

I, B. CHARLINE HOWELL, OFFICIAL REPORTER OF THE
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE
COUNTY OF LOS ANGELES, DO HEREBY CERTIFY THAT THE
FOREGOING PAGES 1 THROUGH 6 COMPRISE A FULL, TRUE AND
CORRECT TRANSCRIPT OF THE PROCEEDINGS HELD IN THE
ABOVE-ENTITLED MATTER ON FEBRUARY 19, 1993.

DATED THIS 22ND DAY OF FEBRUARY, 1993.

B. Charline Howell

OFFICIAL REPORTER

CSR NO. 1296

NOT TO BE PUBLISHED

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA
 SECOND APPELLATE DISTRICT
 DIVISION FOUR

CHURCH OF SCIENTOLOGY INTERNATIONAL,	)	No. B069450
	)	
Plaintiff and Respondent,	)	(Super.Ct.No. BC052395)
	)	
v.	)	
	)	
GERALD ARMSTRONG,	)	
	)	
Defendant and Appellant.	)	

COURT OF APPEAL - SECOND DISTRICT

FILED

MAR 14 1994

JOSEPH L. GAYNE Clerk

APPEAL from an order of the Superior Court of
 Los Angeles County, Ronald M. Sohigian, Judge. Affirmed.

Ford Greene and Paul Morantz for Defendant and
 Appellant.

Bowles & Moxon, Karen D. Holly, Wilson, Ryan &
 Campilongo, Andrew H. Wilson, Rabinowitz, Boudin, Standard,
 Krinsky & Lieberman, Eric M. Lieberman, and Michael Lee
 Hertzberg for Plaintiff and Respondent.

Defendant and appellant Gerald Armstrong (Armstrong) appeals from an order granting a preliminary injunction restraining Armstrong from voluntarily giving assistance to other persons litigating or intending to litigate claims against plaintiff and respondent Church of Scientology International (Church).

The injunction was granted to enforce a settlement agreement in prior litigation between Armstrong and Church. In the settlement, Armstrong agreed he would not voluntarily assist other persons in proceedings against Church.

Armstrong does not deny violating his agreement but asserts numerous reasons why his agreement should not be enforceable. We conclude that the narrowly-limited preliminary injunction, which did not finally adjudicate the merits of Armstrong's claims, was not an abuse of the trial court's discretion to make orders maintaining the status quo and preventing irreparable harm pending the ultimate resolution of the merits.

FACTUAL AND PROCEDURAL BACKGROUND

Armstrong was a member of Church between 1969 and 1981. He became an insider of high rank, familiar with Church practices and documents. He became disillusioned and left Church in 1981. When he left, he took many Church documents with him.

The Prior Action and Settlement

Church brought the prior action against Armstrong seeking return of the documents, injunctive relief against further dissemination of information contained in them, and imposition of a constructive trust. Mary Sue Hubbard, wife of Church founder L. Ron Hubbard, intervened asserting various torts against Armstrong. Armstrong filed a cross-complaint seeking damages for fraud, intentional infliction of emotional distress, libel, breach of contract, and tortious interference with contract.

Church's complaint and Hubbard's complaint in intervention were tried in 1984 by Judge Breckenridge. That trial led to a judgment, eventually affirmed on appeal, holding Armstrong's conversion of the documents was justified because he believed the conversion necessary to protect himself from Church's claims that he had lied about Church matters and L. Ron Hubbard. (Church of Scientology v. Armstrong (1991) 232 Cal.App.3d 1060, 1063, 1073.)

Armstrong's cross-complaint in that case was settled in December 1986 by the settlement agreement which is the subject of the injunction in the present case.

In the settlement agreement, the parties mutually released each other from all claims, except the then-pending appeal of Judge Breckenridge's decision on Church's complaint, which was expressly excluded. The settlement involved a number

of persons engaged in litigation against Church, all represented by Attorney Michael Flynn. As a result of the settlement, Armstrong was paid \$800,000. Armstrong's cross-complaint was dismissed with prejudice, as agreed, on December 11, 1986.

The portions of the settlement agreement most pertinent to this appeal are paragraphs 7-G, 7-H, and 10, in which Armstrong agreed not to voluntarily assist other persons intending to engage in litigation or other activities adverse to Church.^{1/}

1. "G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology. [¶] H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed. [¶] . . . 10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement."

Paragraph 20 of the agreement authorizes its enforcement by injunction.

The Present Action

In February 1992, Church filed a complaint in the present action alleging Armstrong's violation of the settlement agreement and seeking damages and injunctive relief.

In support of its motion for a preliminary injunction, Church presented evidence that since June 1991 Armstrong had violated the agreement by working as a paralegal for attorneys representing clients engaged in litigation against Church and by voluntarily and gratuitously providing evidence for such litigation. Armstrong worked as a paralegal for Attorney Joseph Yanny, who represented Richard and Vicki Aznaran in a multimillion dollar suit against Church in federal court. Armstrong also voluntarily provided declarations for use in the Aznarans' case. Armstrong thereafter worked for Attorney Ford Greene on the Aznaran and other Church related matters.

Armstrong did not deny the charged conduct but asserted the settlement agreement was not enforceable for various reasons, primarily that it was against public policy and that he signed it under duress.

The Trial Court's Preliminary Injunction

The trial court granted a limited preliminary injunction, with exceptions which addressed Armstrong's

argument that the settlement agreement violated public policy by requiring suppression of evidence in judicial proceedings.

The court found that Armstrong voluntarily entered the settlement agreement for which he received substantial compensation, and that Armstrong was unlikely to prevail on his duress claim. The court found that Armstrong could contract as part of the settlement to refrain from exercising various rights which he would otherwise have. Balancing the interim harms to the parties, the court found that to the extent of the limited acts covered by the preliminary injunction, Church would suffer irreparable harm which could not be compensated by monetary damages, and harm for which monetary damages would be difficult to calculate. (Code Civ. Proc., § 526, subds. (a)(2), (a)(4), (a)(5).)

The court's order provides, in pertinent part:

"Application for preliminary injunction is granted in part, in the following respects only. [¶] Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following: [¶] Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons

referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it. [¶]

Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986."

The court provided the following exceptions to address Armstrong's public policy arguments: "The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order."

/

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/

/

DISCUSSION

The grant of a preliminary injunction does not adjudicate the ultimate rights in controversy between the parties. It merely determines that the court, balancing the relative equities of the parties, concludes that, pending a trial on the merits, the defendant should be restrained from exercising the right claimed. The purpose of the injunction is to preserve the status quo until a final determination of the merits of the action. (Continental Baking Co. v. Katz (1968) 68 Cal.2d 512, 528.)

The court considers two interrelated factors. The first is the likelihood the plaintiff will prevail at trial. The second is the interim harm the plaintiff is likely to sustain if the injunction is denied, as compared to the harm the defendant is likely to suffer if the injunction is granted. (Cohen v. Board of Supervisors (1985) 40 Cal.3d 277, 286.)

The decision to grant or deny a preliminary injunction rests in the discretion of the trial court. Accordingly, an appellate court's review on appeal from the granting of a preliminary injunction is very limited. The burden is on the appellant to make a clear showing that the trial court abused its discretion. (IT Corp. v. County of Imperial (1983) 35 Cal.3d 63, 69; Nutro Products, Inc. v. Cole Grain Co. (1992) 3

Cal.App.4th 860, 865.) Abuse of discretion means the trial court has exceeded the bounds of reason or contravened the uncontradicted evidence. (IT Corp. v. County of Imperial, supra, 35 Cal.3d at p. 69.)

Here, the trial court's memorandum decision reflects very careful consideration of the factors relevant to the granting of a preliminary injunction. The court weighed the relative harms to the parties and balanced the interests asserted by Armstrong. The court granted a limited preliminary injunction with exclusions protecting the countervailing interests asserted by Armstrong. We find no abuse of discretion. We cannot say that the trial court erred as a matter of law in weighing the hardships or in determining there is a reasonable probability Church would ultimately prevail to the limited extent reflected by the terms of the preliminary injunction.

Although Armstrong's "freedom of speech" is affected, it is clear that a party may voluntarily by contract agree to limit his freedom of speech. (See In re Steinberg (1983) 148 Cal.App.3d 14, 18-20 [filmmaker agreed to prior restraint on distribution of film]; ITT Telecom Products Corp. v. Dooley (1989) 214 Cal.App.3d 307, 319 [employee's agreement not to disclose confidential information; "it is possible to waive even First Amendment free speech rights by contract"]; Snepp v. United States (1980) 444 U.S. 507, 509, fn. 3 [book by CIA

employee subject to prepublication clearance by terms of his employment contract].)

The exceptions in the trial court's injunction assured that the injunction would not serve to suppress evidence in legal proceedings. The injunction expressly did not restrain Armstrong from accepting service of subpoenas, testifying fully and fairly in legal proceedings, and reporting criminal conduct to the authorities. (See Philippine Export & Foreign Loan Guarantee Corp. v. Chuidian (1990) 218 Cal.App.3d 1058, 1081-1082.) This contrasts with the stipulation in Mary R. v. B. & R. Corp. (1983) 149 Cal.App.3d 308, 315-316, cited by Armstrong, which prevented a party from disclosing misconduct to regulatory authorities.

This appeal is only from the granting of a preliminary injunction which expressly did not decide the ultimate merits. As limited by the trial court here, the preliminary injunction merely restrains, for the time being, Armstrong's voluntary intermeddling in other litigation against Church, in violation of his own agreement. We decline any extended discussion of Armstrong's shotgun-style brief, which offers more than a dozen separate contentions against enforcement. It suffices to say that Armstrong has not borne his burden on appeal to demonstrate a clear abuse of discretion.

DISPOSITION

The order granting a preliminary injunction is affirmed.

NOT TO BE PUBLISHED

VOGEL (C.S.), Acting P.J.

We concur:

HASTINGS, J.

KLEIN (Brett), J.*

*Assigned by the Chairperson of the Judicial Council.

OFFICE OF THE CLERK
COURT OF APPEALS
STATE OF CALIFORNIA

3867

SECOND APPELLATE DISTRICT
JOSEPH A. LANE, CLERK

DIVISION: 4 DATE: 05/16/94

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RE: Church of Scientology International
vs.
Armstrong, Gerald
2 Civil B069450
Los Angeles NO. BC052395

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COLUMBIA
† ALSO ADMITTED IN MASSACHUSETTS
‡ ALSO ADMITTED IN FLORIDA

December 19, 1994

BY TELEFAX AND U.S. MAIL

Ford Greene, Esq.
Hub Law Offices
711 Sir Francis Drake Blvd.
San Anselmo, California 94960-1949

Re: Church of Scientology International v. Gerald Armstrong
LASC BC 052395/ MSC 157 680

Dear Ford:

This letter is an attempt to meet and confer with you concerning questions addressed to Mr. Armstrong which he refused to answer in deposition. You will recall that during this deposition (which occurred after plaintiff's successful motion to compel answers to questions asked Mr. Armstrong the first time he was deposed), Mr. Armstrong refused to answer certain questions, and you advised him not to answer others. We believe that we are entitled to full and complete answers to following deposition questions, and any follow-up questions that they may generate:

On August 18, 1994, the questions posed at 640:5-7; 644:16; 644:22-645:1; 645:4-11; 724:23-725:8; 737:18-738:5.

On August 19, 1994, the questions posed at 845:16-17; 876:18-21; 920:23-25; 923:24-924:2; and 933:4-10.

On October 20, 1994, the questions posed at 1054:12-15; 1055:10-13; 1056:2-5.

The objections which you interposed to some of these questions were privacy, attorney-client privilege, work product, and relevancy. After review of the relevant statutory and caselaw, I do not believe that your objections are well-taken.

Ford Greene
December 19, 1994
Page 2

Mr. Armstrong has objected, for example, to identifying persons other than media contacts with whom he has spoken concerning his experiences in Scientology. This is plainly information which plaintiff requires in order to prove its need for a permanent injunction. If Mr. Armstrong would prefer to stipulate to the entry of a permanent injunction prohibiting him from discussing his experiences in Scientology with anyone (as he agreed in December, 1986), plaintiff is willing to so stipulate and withdraw the question. Absent such a stipulation, Mr. Armstrong has no valid reason for his refusal to answer.

Similarly, Mr. Armstrong has refused to relate the content of some of his conversations with others concerning the planning, formation, and distribution of anti-Scientology propaganda via FACTI. These are violations of the agreement, alleged in the complaint, and clearly relevant. Mr. Armstrong has no valid reason to withhold this discovery, and should agree to resume his deposition and answer the questions.

These are just two examples of patently frivolous refusals to answer; the remaining refusals are similarly without merit.

Kindly inform me immediately if Mr. Armstrong will consent to reappear for deposition and answer any of these questions fully and completely, and, if so, which ones. Should he agree to answer questions, I must insist that he bear the cost of the additional day of deposition, since it has been made necessary by his meritless refusals.

Unless I hear from you promptly, I will move to compel, and seek sanctions and costs concerning Mr. Armstrong's refusal to answer the above-noted questions.

Sincerely,

BOWLES & MOXON



Laurie J. Bartilson

LJB:aeu

cc: Andrew H. Wilson, Esq.
Michael Lee Hertzberg, Esq.
Paul Morantz, Esq.

WHAT IS F.A.C.T.'S BUSINESS PLAN?

(a Summary)

F.A.C.T.'s business plan is constructed around a three-phase growth model. This model is flexible and will evolve with more detail as conditions or better suggestions indicate.

PHASE 1

Phase 1 will run from fall, 1993 to spring, 1994. In this phase, F.A.C.T.'s pilot BBS will be used by and accessible only to those pre-screened individuals and organizations authorized to assist with or participate in F.A.C.T.'s private and secure final beta site testing. The goal of Phase 1 is to set up, test and debug all BBS equipment, software, security systems and organizational policies before we go on-line with our first public in Phase 2.

Before the end of Phase 1, the decision will be made whether to set up F.A.C.T.'S international headquarters and main BBS in the United States or in Denmark. Danish law may allow F.A.C.T. to avoid some legal and insurance problems and costs that could arise

if the BBS and the organization were headquartered in the United States or in a country with laws similar to those of the United States.

PHASE 2

Phase 2 will run from spring, 1994 until late 1994 or early 1995. Phase 2 is dedicated to establishing *FactiNet*'s connections.

FactiNet will be an economical global communications network and centralized BBS for a loosely knit network of almost 400 nonprofit organizations that are not now set up to be electronic networking, electronic communications, and electronic service organizations. These organizations, located worldwide, are already working, each in its own specialty, in related areas of exposing, monitoring and fighting coercive psychological systems. During Phase 2 F.A.C.T. will develop and add additional database libraries. It will test library access, news, mail and other cooperative support

services for and with these "sister" organizations.

In Phase 2, F.A.C.T. will connect to the InterNet, the world's largest global information "highway." This will give all organizations using F.A.C.T. access to the InterNet's more than 14,000 "member" computer networks and an estimated 10+ million users.

In addition to the InterNet connection, F.A.C.T. will have its own X-25 SprintNet connection which will allow users to call F.A.C.T. directly from most major U.S. and international cities on a local line with only a small service charge. For example, from most cities in the U.S. the charges would run from about \$3.50/hr during off times to about \$7.50/hr during prime business hours. This is only a fraction of Watts or other normal long distance costs.

In Phase 2, F.A.C.T. will work with participating organizations on service revenue sharing activities such as materials lending, and on cooperative fund raising. F.A.C.T. will help scan and index the general-subject and group-specific archives that each group has accumulated in its own area.

PHASE 3

Phase 3 will begin in late 1994 or early 1995. Its focus is to market the approximately 400-organization network's and F.A.C.T.'s services directly to the public. In Phase 3, F.A.C.T. and its associated network of organizations will take on more of the high visibility Amnesty International type PR, activist and social education functions.

If F.A.C.T. was on-line now, using the networking methods described, it would be available to the estimated 30 million global computer users already hooked up to computer networks. That number is expected to double in just a few years.

THE BEGINNING

The first information to become available on-line through F.A.C.T.'s libraries will be public domain documents relating to coercive psychological systems, such as professional studies and research, court cases and legal documents, media stories, and government investigations and findings.

To do the most good for the most victims (and potential future victims) in the fastest possible time, and to become known and credible as a resource in this field, F.A.C.T. must focus on issues that are important and widely publicized and about which it has expertise.

As F.A.C.T. begins, the criteria for the groups it will first consider are group that are:

- widely recognized as users of coercive psychological systems.
- widely reported in the media and topics of public discourse.
- of interest to governmental and other legitimate investigatory bodies, and
- ones that F.A.C.T. personnel or volunteers are qualified to address.

Groups that meet these criteria include:

- the Branch Davidians of Waco
- Scientology
- the Children of God

Scientology is widely regarded by experts as the most dangerous and destructive of the groups currently using coercive psychological systems. It is also the group which F.A.C.T.'s current personnel know best from firsthand experience. For these reasons the first large body of information in F.A.C.T.'s database inevitably will be what we have already accumulated about Scientology.

We start from what we know, but this does not mean that F.A.C.T.'s interest is confined to or focused upon Scientology or any other group. Our concern is the danger to human rights posed by coercive psychological systems in whatever context they may appear.

Information on other groups using coercive psychological systems will be added to the BBS as it is made available to us and as leaders come forward with the needed expertise about other groups.

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
 COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Los Angeles, CA 90028.

On December 22, 1994, I served the foregoing document described as DECLARATION OF ANDREW H. WILSON IN SUPPORT OF PLAINTIFF CHURCH OF SCIENTOLOGY INTERNATIONAL'S MOTION TO COMPEL DEFENDANT GERALD ARMSTRONG TO ANSWER DEPOSITION QUESTIONS, AND FOR SANCTIONS on interested parties in this action,

[] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [] the original [X] true copies thereof in sealed envelopes addressed as follows:

FORD GREENE
 HUB Law Offices
 711 Sir Francis Drake Blvd.
 San Anselmo, CA 94960-1949

PAUL MORANTZ
 P.O. Box 511
 Pacific Palisades, CA 90272

MICHAEL WALTON
 700 Larkspur Landing Circle
 Suite 120
 Larkspur, CA 94939

[x] BY MAIL

[] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[x] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that

same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on December 22, 1994 at Los Angeles, California.

[] **(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressees.

Executed on _____ at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Matthew
Print or Type Name

[Signature]
Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

ORIGINAL

3875

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JAN 13 1995

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MARIN COUNTY CLERK
by M. L. L. Deputy

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Attorney for Defendants
GERALD ARMSTRONG and THE
GERALD ARMSTRONG CORPORATION

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL,)
a California not-for-profit)
religious corporation,)

Plaintiff,)

vs.)

GERALD ARMSTRONG; MICHAEL WALTON;)
THE GERALD ARMSTRONG CORPORATION)
a California for-profit)
corporation; DOES 1 through 100,)
inclusive,)

Defendants.)

No. 157 680

**DEFENDANTS'
OPPOSITION TO MOTION
FOR SUMMARY ADJUDICATION
OF FOURTH, SIXTH AND
ELEVENTH CAUSES OF ACTION**

Date: 1/27/95
Time: 9:00 a.m.
Dept: One
Trial Date: May 18, 1995

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 12 FOR THE COUNTY OF MARIN

13 CHURCH OF SCIENTOLOGY INTERNATIONAL,) No. 157 680
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 21 corporation; DOES 1 through 100,)
 22 inclusive,)

23 Defendants.)

24 DEFENDANTS'
 25 OPPOSITION TO MOTION
 26 FOR SUMMARY ADJUDICATION
 27 OF FOURTH, SIXTH AND
 28 ELEVENTH CAUSES OF ACTION

Date: 1/27/95
 Time: 9:00 a.m.
 Dept: One
 Trial Date: May 18, 1995

29 I. INTRODUCTION

30 Scientology seeks summary adjudication against defendant
 31 Armstrong for his having executed two declarations that were used
 32 in ongoing litigation and having provided information to the media
 33 on two occasions pertaining to the instant litigation which
 34 Scientology continues to prosecute against him. Scientology
 35 claims that such conduct violates the settlement contract and
 36 should subject Armstrong to an award of \$150,000 in liquidated
 37 damages.
 38

Armstrong does not deny having engaged in the conduct charged, however, liability should not attach thereto because a private contract cannot override the public interests recognized at common law and by statute enacted to protect the administration of justice. Thus, based upon the litigant's privilege Armstrong is immune from liability for having executed them.

As to the statements to CNN and American Lawyer, there is no violation because such statements referred to the instant litigation which is beyond the scope of the settlement contract.

II. STATEMENT OF FACTS

A. The Background Litigation

This case arises out of a battle between former Scientologist Gerald Armstrong and the Scientology organization. In substance, while a Scientologist Armstrong discovered a wealth of documents that established that Scientology founder, L. Ron Hubbard, had consistently lied about his past accomplishments and credentials, and was not a man of religion but instead ruled Scientology with an iron hand by means of the notorious "Fair Game Policy."

(Separate Statement No. 21; Ex. 1 (A) at 7:9-14, 8:18-24) ^{1/}

Having been labelled "Fair Game" after leaving Scientology, Armstrong, who had been Hubbard's archivist, obtained from Omar Garrison, Hubbard's biographer, documents which exposed Hubbard's

¹ Fair Game is the policy to be enforced against "enemies" of Scientology or "suppressive persons." (Allard v. Church of Scientology of California (1976) 58 Cal.App.3d 439, 443, fn. 1; Church of Scientology of California v. Armstrong (1991) 232 Cal.App.3d 1060, 1067) [Defendant Armstrong declared suppressive person, labelled an enemy of the church and subjected to fair game policy.] According to the Fair Game Policy, such persons upon whom it is imposed, "[m]ay be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed."

lies so as to protect himself, and sent these documents to the lawyer who would defend him, Michael Flynn. (Ex. 1 (A) at 4:10-21; 10:7-12; 14:6-21)

On August 2, 1982, Scientology sued Armstrong in LASC No. C420153 ("Armstrong I") for conversion of the documents. Armstrong cross-complained for harassment. Scientology's complaint was tried before the Honorable Paul G. Breckenridge who found what Armstrong said about Scientology was true. (Separate Statement No. 20; Exhibit 1 (A) at 7:9-14, 8:18-24) Thereafter, Armstrong's cross-complaint was settled.

B. The Settlement Agreement

Provisions of the settlement agreement required Armstrong to assist in obtaining the return of Scientology documents including certain tapes in United States v. Zolin, (Scientology's Ex. 1 (B) at 9-10, ¶ 7-L-c) ²/ to not assist or cooperate with (Id. at 10,

² In United States v. Zolin (1989) 109 S.Ct. 2619, the Court addressed whether the attorney-client privilege between Scientology and some of its attorneys should be abrogated on the basis "that the legal service was sought or obtained in order to enable or aid the client to commit or plan to commit a crime or tort." Id. at 2630. In Zolin, the Supreme Court reversed the Ninth Circuit's ruling in United States v. Zolin (9th Cir. 1987) 809 F.2d 1411 that the Government had not made a sufficient showing that there had been "illegal advice ... given by [Scientology] attorneys to [Scientology] officials" to invoke the crime-fraud exception to the attorney-client privilege. Upon reversing and remanding, the Supreme Court ordered the Ninth Circuit to review partial transcripts of the tape recording sought by the IRS in a criminal investigation of Scientology to determine whether the crime-fraud exception to the privilege applied. On remand, the Ninth Circuit Court held:

"The partial transcripts demonstrate that the purpose of the [Mission Corporate Category Sort Out] project was to cover up past criminal wrongdoing. The MCCS project involved the discussion and planning for future frauds against the IRS, in violation of 18 U.S.C. § 371. [citation.] The figures involved in MCCS admit

(continued...)

¶ 7-G), voluntarily testify for any adverse Scientology litigant, governmental or otherwise, and not be amenable to process service (Id. at 10-11, ¶ 7-H. The settlement also called for Armstrong not to oppose the appeal of the Breckenridge decision (Id. at 3-4, ¶ 4 (A) & (B). Unbeknownst to Armstrong, part of the settlement included side agreements wherein Scientology agreed to a limit of damages on retrial of \$25,000.00, and when paid, to secretly reimburse Armstrong's counsel. (Ex. 1 at ¶ 9)

Armstrong objected to the settlement, referring to it as another act of fair game, however he was subjected to duress by his attorney to sign the same. Part of the duress included statements from his attorney that the provisions that Scientology seeks to enforce in this lawsuit were not enforceable. (Separate Statement No. 5; Ex. 1 at ¶¶ 1-8)

C. Armstrong's Verified Answer

In his Sixth Affirmative Defense to Scientology's complaint Armstrong asserted that he signed the contract on the basis of fraud and deceit. (Separate Statement No. 25; Scientology's Request for Judicial Notice, Ex. B at 23-26, ¶82)

In his Twenty-Fourth Affirmative Defense to Scientology's complaint Armstrong asserted that the liquidated damages provisions was intended to act as a penalty. (Separate Statement No. 25; Id., Ex. B at 33, ¶100)

²(...continued)

on the tapes that they are attempting to confuse and defraud the U.S. Government. The purpose of the crime-fraud exception is to exclude such transactions from the protection of the attorney-client privilege." (United States v. Zolin (9th Cir. 1990) 905 F.2d 1344, 1345. cert. denied, Church of Scientology v. United States (1991) 111 S.Ct. 1309)

1 In his Forty-Third Affirmative Defense to Scientology's
2 complaint Armstrong asserted that his conduct was privileged.
3 (Separate Statement No. 25; Id., Ex. B at 119, ¶40)

4 D. The Alleged Breaches Of The Settlement Contract

5 1. The Declaration In The Aznaran Litigation

6 On April 1, 1988, Vicki J. Aznaran and Richard N. Aznaran
7 sued Scientology in United States District Court, Central District
8 of California, case No. CV88-17886-WDK (Ex) wherein they alleged
9 that they were fraudulently recruited into Scientology and
10 thereafter subjected to brainwashing, harsh labor regimes,
11 deprivation of liberty, and submission to Scientology as part of a
12 slave-like work force. (Plaintiff's Request for Judicial Notice,
13 Ex. E at 4:19-6:6; 19:14-20:16)

14 On July 29, 1991, Scientology filed its Notice of Motion and
15 Motion To Exclude Testimony Of Plaintiffs' Designated Expert,
16 Margaret Singer. (Defendant's Request for Judicial Notice, Ex. A)
17 The grounds for the motion were that brainwashing (also known as
18 coercive persuasion) lacks scientific basis, that for the jury to
19 determine whether or not the Aznarans had been brainwashed would
20 require the jury to evaluate the religious belief and practices of
21 Scientology which is prohibited by the First Amendment, that Dr.
22 Singer's alleged bias against Scientology made her testimony
23 unreliable and was lacking in probative value. (Separate
24 Statement No. 27; Id. at 2:11-3:3)

25 On August 26, 1991 the Aznarans filed their opposition to
26 Scientology's motion. (Defendant's Request for Judicial Notice,
27 Ex. B) In the body of the Aznarans' opposition, they made
28 reference to the disingenuousness of Scientology's effort to

1 suppress testimony pertaining to brainwashing because in 1955 L.
2 Ron Hubbard professed to be an expert in brainwashing practices.
3 (Separate Statement Nos. 28, 29; Id. at 35:5-13) The Aznarans
4 relied on Armstrong's declaration which authenticated two
5 documents disseminated by Hubbard to substantiate these points.
6 (Separate Statement No. 29; Defendant's Request for Judicial
7 Notice, Ex. C at 1:27-2:9) The Court ultimately ruled in favor of
8 the Aznarans. (Separate Statement No. 30; Defendant's Request for
9 Judicial Notice, Ex. D)

10 Scientology has sued Armstrong for executing said declaration
11 and now seeks summary judgment against Armstrong in that regard.
12 He is protected by the litigant's privilege.

13 2. The Declaration In The Mayo Litigation

14 On May 27, 1992, in Religious Technology Center v. Scott,
15 United States District Court, Central District of California, CV
16 85-711 JMI (Bx); CV 85-7197 JMI (Bx) filed defendants their
17 opposition to counter-defendants' motion for a protective order.
18 (Separate Statement Nos. 33-35; Defendant's Request for Judicial
19 Notice Ex. F) The opposition papers made direct reference to the
20 testimony of Laurel Sullivan in the Armstrong I litigation (Id. at
21 4:18-5:24; 8:1-20) and was supported by the Declaration of Gerald
22 Armstrong which is at issue in the instant motion. Armstrong's
23 declaration authenticated the transcript of Sullivan trial
24 testimony in Armstrong I.

25 Scientology has sued Armstrong for executing said declaration
26 and now seeks summary judgment against Armstrong in that regard.
27 He is protected by the litigant's privilege.

28

3. Contacts With CNN And American Lawyer

On March 20, 1992 the Honorable Michael B. Dufficy granted CNN's request to conduct film and electronic media coverage of a hearing in this case. (Separate Statement No. 31, Defendant's Request for Judicial Notice, Ex. E) Scientology consented to said taping through the representation of Andrew H. Wilson to the Court. (Separate Statement No. 31) CNN thereafter taped the entire proceeding and interviewed Scientology's lawyers in the hallway after the hearing after which CNN interviewed Armstrong at his attorney's office. (Separate Statement No. 31) The single comment Armstrong made was "I'm an expert in the misrepresentations Hubbard has made about himself from the beginning of Dianetics until the day he died." This is consistent with Judge Breckenridge's decision and the material in Bent Corydon's book, Madman or Messiah? (Separate Statement No. 31)

When Gerald Armstrong was interviewed by William Horne of American Lawyer, he said nothing to Horne aside from what Judge Breckenridge had written in his Memorandum of Intended Decision. (Separate Statement No. 32)

III. LEGAL ARGUMENT

A. Armstrong's Declarations And Statements To The Press Are Protected By The Litigant's Privilege

The litigation privilege has a long history. It is based upon (1) the idea that the purpose of judicial proceedings is to ascertain the truth and (2) the recognition that openness of communication is essential to finding the truth. Thus, in order to find the truth, the participants in judicial proceedings - judges, lawyers and witnesses - must be protected from

1 intimidation that might flow from those unhappy with an adverse
2 judicial consequence. The result in an immunity at common law and
3 in the State of California, a statutory privilege.

4 In the words of one 19th-century court, lawsuits against
5 witnesses based upon their testimony are prohibited because, "the
6 claims of the individual must yield to the dictates of public
7 policy, which requires that the paths which lead to the
8 ascertainment of truth should be left as free and unobstructed as
9 possible." (Calkins v. Sumner (1860) 13 Wis. 193, 197 as quoted
10 in Briscoe v. LaHue (1983) 460 U.S. 325, 333)

11 Thus, in his opinion concurring in the judgment of the Court
12 in Imbler v. Pachtman (1976) 424 U.S. 409, Justice White stated
13 that such immunity was "based upon the policy of protecting the
14 judicial process." (Id. at 439) This protection extends to all
15 participants in such process.

16 The reasons for this rule are also substantial. It is
17 precisely the function of a judicial proceeding to
18 determine where the truth lies. The ability of the
19 courts, under carefully developed procedures, to
20 separate truth from falsity, and the importance of
21 accurately resolving factual disputes in criminal (and
22 civil) cases are such that those involved in judicial
23 proceedings should be 'given every encouragement to make
24 a full disclosure of all pertinent information within
25 their knowledge.'"

26 (Ibid.)

27 The common law's protection for essential judicial
28 participants formed part of a "cluster of immunities protecting
the various participants in judge-supervised trials," which
stemmed "from characteristics of the judicial process." (Butz v.
Economou (1978) 438 U.S. 478, 512) The common law recognized that

1 controversies sufficiently intense to erupt in
2 litigation are not easily capped by a judicial decree.
3 The loser in one forum will frequently seek another ...
4 Absolute immunity is thus necessary to assure that
5 judges, advocates and witnesses can perform their
6 respective functions without harassment or intimidation.

7 (Ibid.)

8 Therefore, the common law provided absolute immunity from
9 subsequent damages liability for all persons who were integral
10 parts of the judicial process in order to protect against
11 intimidation and censorship. (Briscoe v. LaHue, supra., 460 U.S.
12 at 335)

13 A witness' apprehension of subsequent damages liability
14 might induce two forms of self-censorship. First,
15 witnesses might be reluctant to come forward to testify.
16 [citation] And once a witness is on the stand, his
17 testimony might be distorted by the fear of subsequent
18 liability. [citation] Even within the constraints of
19 the witness' oath there may be various ways to give an
20 account or to state an opinion. These alternatives may
21 be more or less detailed and may differ in emphasis and
22 certainty. A witness might who knows that he might be
23 forced to defend a subsequent lawsuit, and perhaps pay
24 damages, might be inclined to shade his testimony in
25 favor of the potential plaintiff, to magnify
26 uncertainties, and thus to deprive the finder of fact of
27 candid, objective and undistorted evidence.

28 (Id. at 333)

29 The common law absolute immunity was one of a number of
30 "truthfinding safeguards of the judicial process" (Id. at 345)
31 because the participation of witnesses in the judicial process is
32 "indispensable." (Id. at 346)

33 In California, the litigation privilege is derived from Civil
34 Code section 47 (2). It states that a "privileged communication
35 or broadcast is one made ... In any ... judicial proceeding ..."

36 In Silberg v. Anderson (1990) 50 Cal.3d 205, Justice Kaufman
37 stated that the litigant's privilege is an essential prophylactic
38

ingredient required to ward off corruption in litigation. He said:

The principal purpose of section 47(2) is to afford litigants and witnesses [citation omitted] the utmost freedom of access to the courts without fear of being harassed subsequently by derivative tort [or contract] actions. [citations omitted.]

Section 47(2) promotes effectiveness of judicial proceedings by encouraging "open channels of communication and the presentation of evidence" in judicial proceedings. [citations omitted.] A further purpose of the privilege "is to assure utmost freedom of communication between citizens and public authorities whose responsibility is to investigate and remedy wrongdoing." [citations omitted.] Such open communication is "a fundamental adjunct to the right of access to judicial and quasi-judicial proceedings." [citation omitted.] Since the "external threat of liability is destructive of this fundamental right and inconsistent with the effective administration of justice" (citation omitted), courts have applied the privilege to eliminate the threat of liability for communications made during all kinds of truth-seeking proceedings: judicial, quasi-judicial, legislative and other official proceedings. . . . Thus, witnesses should be free from the fear of protracted and costly lawsuits which otherwise might cause them to distort their testimony or refuse to testify altogether. [citations omitted]"

(Id. 50 Cal.3d at pp. 213-14.)

There is no stronger public policy than that embodied in Civil Code section 47 (2). The litigant's privilege lies at the core of the integrity of our judicial system. It cannot be bought-off or otherwise eliminated. The policy favoring settlement, although strong, cannot supersede the policy of truth-seeking in litigation. Otherwise, the "truth" would be bought and sold in the same manner as were African Americans in Colonial America.

The privilege is absolute in nature. (Id. at p. 215)
Therefore, any communication (1) made in judicial or quasi-

1 judicial proceedings; (2) by litigants or other participants
2 authorized by law; (3) to achieve the objects of the litigation;
3 (4) that has some connection or logical relation to the action is
4 completely privileged. (Id. at p. 212.)

5 Armstrong's declarations in both the Aznaran and Mayo
6 litigation were made in judicial proceedings as a witness.

7 B. To The Extent That The Settlement Contract Purports To
8 Eviscerate The Litigant's Privilege By The Payment Of
9 Money Or Imposition Of Intimidation, It Is Void Because
10 It Violates Public Policy.

11 A party need not plead the illegality as a defense and
12 the failure to do so constitutes no waiver. In fact, the point
13 may be raised at any time, in the trial court or on appeal, by
14 either the parties or on the court's own motion. (LaFortune v.
15 Ebie (1972) 26 Cal.App.3d 72, 75; Lewis & Queen v. M.M. Ball Sons
16 (1957) 48 Cal.2d 141, 147-148)

17 The object of a contract must be lawful. (Civil Code §§
18 1550, 1596) If the contract has a single object, and the object
19 is unlawful, the entire contract is void. (Civil Code § 1598) It
20 is an obstruction of justice to conceal or suppress relevant
21 evidence. (Witkin, California Criminal Law (2d ed. 1988), Vol. 2,
22 section 1132, at p. 1311; Penal Code sections 136, 136.1 and 138;
23 18 U.S.C. § 201(b)(3); 18 U.S.C. § 201 (c)(2); Williamson v.
24 Superior Court (1978) 21 Cal.3d 829, 836-37; People v. Pic'l
25 (1982) 31 Cal.3d 731, 183 CR 685; Mary R. v. B&R Corporation
26 (1983) 149 Cal.App.3d 308, 196 CR 871)

27 The underlying settlement agreement in this case is illegal
28 because it was designed to subvert the litigant's privilege so as
to suppress facts discrediting Scientology, which thus suppressed

would obstruct justice.

In Brown v. Freese (1938) 28 Cal.App.2d 608, the California Court of Appeal adopted section 557 of the Restatement of the Law of Contracts prohibiting as illegal those agreements which sought to suppress the disclosure of discreditable facts. The court stated:

"A bargain that has for its consideration the nondisclosure of discreditable facts . . . is illegal. . . . In many cases falling within the rule stated in the section the bargain is illegal whether or not the threats go so far as to bring the case within the definition of duress. In some cases, moreover, disclosure may be proper or even a duty, and the offer to pay for nondisclosure may be voluntarily made. Nevertheless the bargain is illegal. Moreover, even though the offer to pay for nondisclosure is voluntarily made and though there is no duty to make disclosure or propriety in doing so, a bargain to pay for nondisclosure is illegal."

(Emphasis added. Brown 28 Cal.App.2d at 618)

Thus, where a contract is made either (1) to achieve an illegal purpose, or (2) by means of consideration that is not legal, the contract itself is void. (Witkin, Summary of California Law (9th Ed. 1987) Vol. 1, Contracts, § 441 at 396)

Thus, the court will look through provisions that may appear valid on their face, and with the aid of parol evidence, determine that the contract is actually illegal or is part of an illegal transaction. (Lewis & Queen, 48 Cal.2d at 148; Owens v. Haslett (1950) 98 Cal.App.2d 829, 221 P.2d 252, 254; Eggleston v. Pantages (1918) 103 Wash. 458, 175 P. 34, 36; Maryland C. Co. v. Fidelity & Cas. Co. of N.Y. 71 Cal.App. 492; Fong v. Miller (1951) 105 Cal.App.2d 411, 414-15. Morey v. Paladini (1922) 187 Cal. 727, 738; Tiedje v. Aluminum Paper Milling Co. (1956) 46 Cal.2d 450, 454)

1 In Fong v. Miller, supra, enforcement of a settlement
2 agreement was denied.

3 "Appellants bitterly complain that the court's
4 action leaves Respondent unjustly enriched. The
5 complaint is a familiar one, it is generally made by
6 those who, deeming themselves wronged by their companion
7 in illegal ventures, find themselves denied of any right
8 to enforce their unlawful agreements. Their pleas have
9 always been unavailing. This rule is not generally
10 applied to secure justice between parties who have made
11 an illegal contract, but from regard for a higher
12 interest -- that of the public, whose welfare demands
13 that certain transactions be discouraged."

14 (Id. at 105 Cal.App.2d at pp. 414-415)

15 In Tappan v. Albany Brewing Co. (1989) 80 Cal. 570, 571-72
16 the California Supreme Court stated:

17 "It was contended by the Respondent that this was
18 nothing more than a payment of a sum of money by way of
19 a **compromise of litigation**, and that such contracts have
20 been upheld. We do not so construe the agreement. It
21 was a promise to pay . . . for the **concealment of a fact**
22 from the court and the parties material to the rights of
23 said parties, and which it was her duty to make known.
24 Such a contract is against public policy."

25 Were the Court to grant Scientology's motion for summary
26 adjudication, it would be giving effect to a contract whose
27 purposes include the subversion of the litigant's privilege. It
28 is against the law to give greater value to a private agreement
whose purpose is to subvert values of a higher order which are
deliberated intended to protect truth-seeking in the judicial
process.

29 **C. Armstrong's Press Contacts Do Not Violate The Contract**

30 The contract does not limit Armstrong from discussing either
31 Judge Breckenridge's decision or his present litigation. Since
32 both the CNN video piece and the American Lawyer article address
33 the instant litigation and discuss matters that have been
34 generally disseminated, there is no construable violation of the
35 settlement contract. (Separate Statement No. 31-33)

1 D. The Liquidated Damages Provision Is Invalid.

2 On the subject of liquidated damages, paragraph 7-D of the
3 settlement contract states:

4 "Plaintiff agrees that if the terms of this paragraph
5 are breached by him, that CSI and the other Releasees
6 would be entitled to liquidated damages in the amount of
7 \$50,000 for each such breach. ... The amount of
8 liquidated damages herein is an estimate of the damages
9 that each party would suffer in the event this Agreement
10 is breached. The reasonableness of the amount of such
11 damages are hereto acknowledged by Plaintiff."

12 Armstrong never agreed to said liquidated damages provision
13 and signed the settlement contract only because attorney Michael
14 Flynn had told him that "it was not worth the paper it was written
15 on" and attorney Michael Walton told him that in order to be
16 enforceable, the provision would have to be mutual. (Separate
17 Statement No. 5)

18 Furthermore, there were no discussions regarding said
19 provision. Indeed, aside from attorney's fee Church of
20 Scientology International secretary Lynn Farny was unable to point
21 to anything specific upon which the provision was based.
22 (Separate Statement No. 10)

23 In order for a liquidated damages provision to be valid, "the
24 parties - as distinguished from only one of the parties - made a
25 reasonable endeavor to estimate a fair average compensation for
26 any loss that may be sustained." (United Savings & Loan Ass'n of
27 Calif. v. Reeder Development Corp. (1976) 57 Cal.App.3d 282, 299-
28 300)

 Since there is no proof that any such effort was made herein,
there is a question of fact as to the enforceability of the
liquidated provisions.

1 **E. Armstrong Did Not Have The Benefit Of Objective Counsel**

2 Sections 1569 (1) and (3) of the California Civil Code
3 defines duress as the (1) "[u]nlawful confinement of the person of
4 the party, . . ." or (2) "[c]onfinement of such person, lawful in
5 form, but fraudulently obtained, or fraudulently made unjustly
6 harassing or oppressive." The cases, however, have established
7 much broader definitions, and consequently, the language of the
8 decisions can rarely be reconciled with the statutory language.
9 For example, in Harlan v. Gladding, McBean & Co. (1907) 7 Cal.App.
10 49, duress means a condition of mind produced by improper external
11 pressure or influence that practically destroys the free will of a
12 person and causes him to do an act or enter into a contract not of
13 his own volition. In Sistrom v. Anderson (1942) 51 Cal.App.2d
14 213, duress is effectuated by an unlawful threat which overcomes
15 the will of the person threatened and induces him to do an act
16 that he is not bound to do and would not otherwise have done.
17 Steffen v. Refrigeration Discount Corp. (1949) 91 Cal.App.2d 494,
18 states that the test of duress, at its harshest, is what would
19 have influenced the conduct of a reasonable man. Indeed, the
20 modern tendency is to find duress wherever one, by the unlawful
21 act of another, is induced to make a contract under circumstances
22 which deprive him of the exercise of free will. (see Keithley v.
23 Civil Service Board (1970) 11 Cal.App.3d 443; Balling v. Finch
24 (1962) 203 Cal.App.2d 413; Gross v. Needham (1960) 184 Cal.App.2d
25 446; Lewis v. Fahn (1952) 113 Cal.App.2d 95; Sistrom, 51
26 Cal.App.2d at 213) Under this standard, duress is to be tested,
27 not by the nature of the threat, but by the state of mind induced
28 in the victim. (Balling, 203 Cal.App.2d at 413; Lewis, 113

1 Cal.App.2d at 95)

2 In the case at bar, the agreement was made under duress and
3 is, thus, voidable. Specifically, in Paragraph 11-A of the
4 agreement: "The parties to this Agreement acknowledge . . . [t]hat
5 all parties enter into this Agreement freely, voluntarily,
6 knowingly and willingly, without any threats, intimidation or
7 pressure of any kind whatsoever and voluntarily execute this
8 Agreement of their own free will." Armstrong described the duress
9 and undue influence to which he was subjected as soon as he had
10 arrived in Los Angeles and was pressured into signing the
11 agreement. (Separate Statement No. 5)

12 Accordingly, duress exists to void the agreement.

13 Rule 5-102 of the Rules of Professional Conduct states:

14 (A) A member of the State Bar shall not accept
15 professional employment without first disclosing his
16 relation, if any, with the adverse party, and his interest,
17 if any in the subject matter of the employment. A member of
the State Bar who accepts employment under this rule shall
first obtain the client's written consent to such employment.

18 (B) A member of the State Bar shall not represent
19 conflicting interest, except with the written consent of all
parties concerned.

20 In the Armstrong settlement, Armstrong was represented by
21 attorney Michael Flynn. Although Flynn did tell Armstrong that he
22 was settling his own litigation against Scientology, ³/ Flynn did

23 ³ The second secret settlement agreement was entered into
24 by the settling plaintiffs, including Armstrong, and their
25 attorney, Flynn. The egregious conflicts between the plaintiffs
26 and Flynn, and between plaintiffs themselves, are readily apparent
27 from the face of the document. Notwithstanding these facts, the
document has only one fleeting reference to consultation with
28 outside counsel. All of these people, including their attorney,
had been subjected to the most outrageous deprivations, harassment
and intimidation. Each should have been separately represented in
the settlement. None were.

1 not advise Armstrong that he had agreed not to represent Armstrong
2 in the future against Scientology. (Separate Statement No. 5)

3 Moreover, concerning Armstrong's settlement, attorney Flynn
4 even had a separate side-deal with the Scientology lawyers. If as
5 a result of the settlement term that Armstrong would not oppose
6 any appeal of the Breckenridge Decision, there was a reversal,
7 damages on retrial against Armstrong would be limited to \$25,001
8 payment for which Scientology would indemnify Flynn. This was
9 never disclosed to Armstrong. Additionally, Flynn told Armstrong
10 that he would represent Armstrong in the future against
11 Scientology, if necessary. (Defendant Ex. 1 at ¶ 14, Exs. (B) &
12 (C))

13 Flynn also represented a number of other Scientologists who
14 not only also settled with Scientology, but who also settled among
15 themselves in a second agreement because a lump sum of money had
16 been given to Flynn. In that second settlement agreement the
17 parties acknowledged that they had "been subjected to intense, and
18 prolonged harassment by the Church of Scientology throughout the
19 litigation, and that the value of the respective claims stated
20 therein is measured in part by the length and degree of
21 harassment." (Plaintiff's Ex. D, Ex. B thereto)

22 The second secret settlement agreement was entered into by
23 the settling plaintiffs, including Armstrong, and their attorney,
24 Flynn. The egregious conflicts between the plaintiffs and Flynn,
25 and between plaintiffs themselves, are readily apparent from the
26 face of the document. Notwithstanding these facts, the document
27 has only one fleeting reference to consultation with outside
28 counsel. All of these people, including their attorney, had been

1 subjected to the most outrageous deprivations, harassment and
2 intimidation. Each should have been separately represented in the
3 settlement. None were.

4 Indeed, concerning Armstrong's settlement, attorney Flynn
5 even had a separate side-deal with the Scientology lawyers. If as
6 a result of the settlement term that Armstrong would not oppose
7 any appeal of the Breckenridge Decision, there was a reversal,
8 damages on retrial against Armstrong would be limited to \$25,001
9 payment for which Scientology would indemnify Flynn. This was
10 never disclosed to Armstrong. Additionally, Flynn told Armstrong
11 that he would represent Armstrong in the future against
12 Scientology, if necessary.

13 The global settlement, and side-agreements, included Flynn,
14 Armstrong's own attorney who had interests diametrically opposed
15 to those of Armstrong and interests diametrically opposed to those
16 of the other settling former Scientologists. Finally, all of the
17 settling parties had interests that were diametrically opposed as
18 among themselves. Each of them, including Flynn, should have been
19 separately represented. Objectively, none of these settling
20 former Scientologists were capable of representing themselves in
21 this situation. They each required legal counsel with undivided
22 loyalty. What they got, however, was legal counsel who had
23 conflicts between each of his clients and between himself and his
24 clients. Flynn breached all applicable ethical rules in
25 representing himself and all of the settling parties in this
26 global agreement. It was a mammoth conflict of interest for
27 Michael Flynn to represent each of the settling parties in a
28 settlement in which he himself was the largest beneficiary.

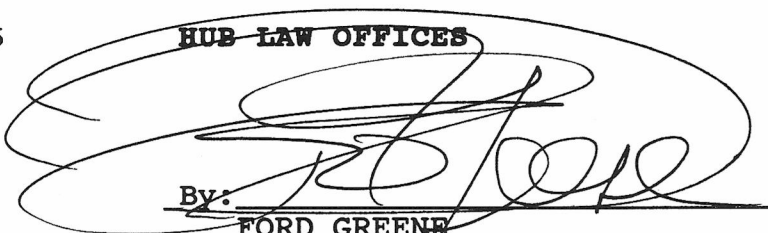
1 Clearly, Armstrong entered the settlement without the benefit
2 of objective counsel.

3 **IV. CONCLUSION**

4 Based on the foregoing facts and argument, defendant
5 respectfully submits that plaintiff's motion for summary
6 adjudication should be denied.

7
8 DATED: January 13, 1995

HUB LAW OFFICES

9
10
11 By: 

FORD GREENE
Attorney for Defendants
GERALD ARMSTRONG and THE
GERALD ARMSTRONG CORP.

PROOF OF SERVICE

I am employed in the county of Marin, State of California. I am over the age of eighteen years and not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California 94960. I served the foregoing document(s) described as:

**DEFENDANTS' OPPOSITION TO MOTION FOR SUMMARY
ADJUDICATION OF FOURTH, SIXTH AND ELEVENTH CAUSES OF
ACTION; ARMSTRONG'S SEPARATE STATEMENT OF DISPUTED AND
UNDISPUTED FACTS IN OPPOSITION TO MOTION FOR SUMMARY
ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES
OF ACTION OF SECOND AMENDED COMPLAINT; ARMSTRONG'S
EVIDENCE IN OPPOSITION TO MOTION FOR SUMMARY
ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES
OF ACTION (VOLS I AND II); ARMSTRONG'S REQUEST FOR
JUDICIAL NOTICE IN OPPOSITION TO MOTION FOR SUMMARY
ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES
OF ACTION**

on the following persons on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Laurie J. Bartilson, Esquire
BOWLES & MOXON
6255 Sunset Boulevard, Suite 2000
Los Angeles, CA 90028

MAIL

Michael L. Walton, Esquire
P.O. Box 751
San Anselmo, CA 94979

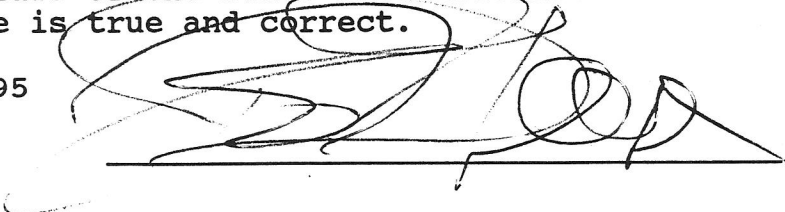
MAIL

[X] (By Mail)	I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.
[] (Personal)	I caused said papers to be personally served on the office of counsel.

/ [X] (State)

I declare under the penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: January 13, 1995

A handwritten signature in dark ink, consisting of several loops and a long horizontal stroke, is written over a horizontal line.

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PART II

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Preface

In 1979 Omar Garrison, a professional writer who had previously written three books at the request of L. Ron Hubbard's agents, was commissioned by him to write Hubbard's biography. He was given access to thousands of private documents, many of which Hubbard erroneously believed no longer existed. Garrison spent 18 months poring over them and interviewing people from Hubbard's past. As he gained more and more information, he came to a decision that he could not, in good conscience, write the "PR" biography that had been intended.

In early 1984, disgusted by the entire affair and realizing he could not prevail over the inevitable harassment and legal/financial obstacle course awaiting him, Garrison accepted a large cash sum from Hubbard's agents not to write the biography which he was then planning. This one would have given what was, in his own estimation, a truthful account of Hubbard's life.

Garrison's efforts to bring out the truth turned out not to have been in vain. The majority of the documents and information, on which he was to have based his biography, were revealed in a trial in a Los Angeles courtroom in mid-1984. Gerry Armstrong, who assisted Garrison by locating thousands of Hubbard documents, and who was the subject of this trial, was consulted extensively.

These revelations backed up many of the stories told to me by Hubbard's first son, Ron Jr.

In 1970 Paulette Cooper wrote, and had published, a book called *The Scandal of Scientology* containing some biographical matter on Hubbard. She was hounded by Church of Scientology agents for a decade and at one period was almost convicted on Federal felony charges, having been framed by Church agents.

Recently, after the Church discovered that the book you are reading was being written, a roughly six foot four inch, 250 lb. man in

black leather jacket
Failing to locate
not here, you'll find
Ron's bridge!"* and
him around.

Obscene and
monoplace, often
telling her, "We

L. Ron Hubbard
co-operated for me
He was then offered
Scientology representa-
tate. There was,
assistance on the

He signed papers
in hand a prior to

The settlement
father. Less than
1959, he was talking
father wrote an

If attacked or
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to cause them to

In 1972, Ron Jr.
he had made ab
so after much h

Whenever Ron
trotted out his

Unfortunately
faced in court that
had been saying
knowledge, be

During my visit
Hubbard, Jr., a
wife and now gr

He claimed that
chief consideration

*The "bridge" which

black leather jacket and gloves arrived at my workplace asking for me.

Failing to locate me, he told one of my assistants, "Since Corydon's not here, you'll do." He then yelled, "You are standing in the way of Ron's bridge!"* and proceeded to punch him in the face and knock him around.

Obscene and threatening phone calls to my home became commonplace, often occurring while I was out and directed at my wife, telling her, "We know you're alone."

L. Ron Hubbard, Jr., was contracted as co-author of this book and co-operated for more than half of its writing, providing information. He was then offered an undisclosed amount of money by Church of Scientology representatives to settle his claim against his father's estate. There was, however, also a requirement that he must cease any assistance on the book and remove his name from it.

He signed papers to that effect. Lyle Stuart, the publisher, having in hand a prior signed contract, decided to go ahead regardless.

The settlement ended a 26-year ordeal imposed upon him by his father. Less than a year after Ron Jr. left his father's organization in 1959, he was talking openly about his experiences. This was when his father wrote an official Church policy stating:

If attacked on some vulnerable point by anyone or anything or any organization, always find *or manufacture* enough threat against them to cause them to sue for peace. (Emphasis added)

In 1972, Ron Jr. had signed a letter saying, in effect, that statements he had made about his father were false. He later claimed he did so after much harassment.

Whenever Ron Jr. has spoken publicly since then, the Church has trotted out his "signed retraction."

Unfortunately for the Church, many other documents have surfaced in court that have backed up the majority of what Hubbard's son had been saying. And nothing he has said about his father has, to my knowledge, been disproven.

During my visits to his home in Carson City, Nevada, I found Ron Hubbard, Jr., a gentle man who showed enormous affection for his wife and now grown children.

He claimed that the well-being of his then young family was the chief consideration in signing this specious document.

*The "bridge" which would "Lead Man to a higher plateau of happiness and ability."

I felt this had a ring of truth. Especially when added to what I knew of the sinister ability of Hubbard's agents to "persuade" others into complying with his intentions.

Ron Jr. is a diabetic. During the six months prior to his '86 settlement he had had part of his foot amputated and hovered near death for three days during a subsequent operation on his abdomen. These events, besides causing physical and emotional trauma, had left him in a financially devastated condition.

Nevertheless, though Ron Jr.'s lips were being sealed, he refused, this time, to sign any affidavit disclaiming his prior statements.

Concurrent with "the Church making peace" with Hubbard's eldest son, a woman—now in her mid-thirties with red hair and unmistakable features distinguishing her as a Hubbard—whose first name is Alexis, was paid a sum of money to settle her claim to part of Hubbard's estate.

She refused, however, to sign a document presented to her as part of the agreement by Church of Scientology representatives. It spelled out a bizarre claim that L. Ron Hubbard *Junior* is her real father. (The probate case being settled was based on the fact that the deceased L. Ron Hubbard *Senior* is her real father. His name is on her birth certificate.)

This attempt to get L. Ron Hubbard's daughter by his second marriage to attest that Hubbard's son is her real father was the latest in a long series of often shockingly successful cover-ups.

Who was Hubbard? What are the many secrets he worked (and now his Church works) so hard to keep concealed?

The story of L. Ron Hubbard is a study of the bizarre. The more one knows about him, the more one feels he should have been impossible. It just could not happen. But there he was: A chain-smoking enigmatic bundle of contradictions.

Ron Jr. and his stepmother for five years, Sara Northrup Hubbard, were witness to a very different man from the one known to Scientology's zealous followers. Indeed they probably know him better than anyone.

They had stepped inside a very private and secret universe and stepped out again. They had entered the magic circle and escaped. And lived to talk about it.

But barely.

"Best-selling
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3906

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FILED

JAN 13 1995

HOWARD HANSON
 MARIN COUNTY CLERK
 By Mr. Louten Deputy

Attorney for Defendants
 GERALD ARMSTRONG and THE
 GERALD ARMSTRONG CORPORATION

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL,) No. 157 680
 a California not-for-profit)
 religious corporation,)

Plaintiff,)

vs.)

GERALD ARMSTRONG; MICHAEL WALTON;)
 THE GERALD ARMSTRONG CORPORATION)
 a California for-profit)
 corporation; DOES 1 through 100,)
 inclusive,)

Defendants.)

ARMSTRONG'S SEPARATE
 STATEMENT OF DISPUTED AND
 UNDISPUTED FACTS IN
 OPPOSITION TO MOTION FOR
 SUMMARY ADJUDICATION OF
 THE FOURTH, SIXTH AND
 ELEVENTH CAUSES OF ACTION
 OF SECOND AMENDED
 COMPLAINT

Date: 1/27/95
 Time: 9:00 a.m.
 Dept: One
 Trial Date: May 18, 1995

RESPONDING PARTY GERALD ARMSTRONG'S STATEMENT OF DISPUTED AND
 UNDISPUTED FACTS

Defendant Gerald Armstrong ("Armstrong") submits this
 separate statement in opposition to Plaintiff Church of
 Scientology International's ("Scientology") separate statement of
 undisputed facts with reference to supporting evidence pursuant to
 CCP Section 437c (b).

ISSUE NUMBER I:

Scientology's Claim: The Church is entitled to summary adjudication of the Fourth Cause of Action because there is no dispute that the parties entered into a written agreement, that the Church performed all of its obligations pursuant to the agreement, that Armstrong breached the agreement by providing a declaration which purports to discuss his experiences with Scientology to anti-Church litigants Vicki and Richard Aznaran, and that the Church is entitled to liquidated damages of \$50,000.00 for this breach.

Armstrong's Claim: Scientology is not entitled to summary adjudication of the Fourth Cause of Action because liability for said cause of action is precluded by the litigant's privilege and the \$50,000 liquidated damages provision of the subject contract has no relationship to actual damages, acts as a penalty and is against public policy.

**PLAINTIFF CSI'S MATERIAL FACTS
AND SUPPORTING EVIDENCE**

**DEFENDANT ARMSTRONG'S MATERIAL
FACTS AND SUPPORTING EVIDENCE**

1. Gerald Armstrong entered into a confidential Mutual Release of All Claims and Settlement Agreement ("Agreement") with Church of Scientology International ("the Church") on December 6, 1986.

1. Undisputed.

Plaintiff's Evidence:

1 Request for Judicial Notice,
2 Exhibit A, Verified Amended
3 Complaint (hereinafter
4 "Complaint"), ¶¶ 1 and 2;
5 Request for Judicial Notice
6 Exhibit B, Answer of Gerald
7 Armstrong and the Gerald
8 Armstrong Corporation to
9 Amended Complaint (hereinafter
10 "Answer"), ¶¶ 1 and 2; Exhibit
11 1A, Deposition of Gerald
12 Armstrong, Vol III, Oct. 7,
13 1992, 301:2-12; 302:1-18, and
14 Exhibit 6 thereto Exhibit 1B,
15 Mutual Release of All Claims
16 and Settlement Agreement, page
17 16.

18
19 2. The Agreement was
20 signed on behalf of the Church
21 by its President, Reverend
22 Heber Jentzsch.

2. Undisputed.

23 Plaintiff's Evidence:
24 Exhibit 1B, Mutual Release of
25 All Claims and Settlement
26 Agreement, page 16.

27
28

1 3. The Agreement was
2 signed by Armstrong's
3 attorney, Michael Flynn,
4 approving it as to form and
5 content.

3. Undisputed. 3909

6 Plaintiff's Evidence:
7 Exhibit 1B, Mutual Release of
8 All Claims and Settlement
9 Agreement, page 16.

10

11 4. Armstrong signed and
12 initialed the Agreement in the
13 presence of his counsel,
14 Michael Flynn, and witnesses
15 Michael Sutter and JoAnn
16 Richardson. The signing was
17 recorded by video.

4. Undisputed.

18 Plaintiff's Evidence:
19 Exhibit 1A, Deposition of
20 Gerald Armstrong, Vol I,
21 172:9-12, Exhibit 1C,
22 Declaration of Larry Heller, ¶
23 3, and Exhibits A and B
24 thereto.

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1 5. Prior to signing the
2 Agreement, Armstrong discussed
3 its terms with his attorneys,
4 Michael Flynn and Michael
5 Walton. He also discussed it
6 with a third attorney, Julia
7 Dragojevich.

8 Plaintiff's Evidence:
9 Exhibit 1A, Deposition of
10 Gerald Armstrong, Vol. I, June
11 24, 1992, 37:14-20; 38:11-23;
12 69:18-70:16.

5. Disputed.

Armstrong objected to the terms of the contract in discussions with attorney Flynn. Flynn told Armstrong that the silence and liquidated damages clauses, and anything which called for obstruction of justice were not worth the paper they were printed on. He said the same thing a number of times and a number of ways; e.g., that Armstrong could not contract away his Constitutional rights; that the conditions were unenforceable. He said that he had advised the organization attorneys that those conditions in the settlement agreement were not worth the paper they were printed on, but that the organization, nevertheless, insisted on their inclusion in the settlement agreement and would not agree to any changes. He pointed out the

1 clauses concerning Armstrong's
2 release of all claims against
3 the organization to date and
4 its release of all claims
5 against him to date (paras. 1,
6 4, 5, 6, 8) and said that they
7 were the essential elements of
8 the settlement and were what
9 the organization was paying
10 for. Flynn also said that
11 everyone was sick of the
12 litigation and wanted to get
13 on with their lives. He said
14 that he was sick of the
15 litigation, the threats to him
16 and his family and wanted out.
17 He said that as a part of the
18 settlement he and all co-
19 counsels had agreed to not
20 become involved in
21 organization-related
22 litigation in the future. He
23 expressed a deep concern that
24 the courts in this country
25 cannot deal with the
26 organization and its lawyers
27 and their contemptuous abuse
28 of the justice system. He said

that if Armstrong didn't sign the documents all Armstrong had to look forward to was more years of harassment and misery. One of Mr. Flynn's other clients, Edward Walters, who was in the room with Armstrong and Flynn during this discussion, yelled at Armstrong, accusing Armstrong of killing the settlement for everyone, and that everyone else had signed or would sign, and everyone else wanted the settlement. Flynn said that the organization would only settle with everyone together; otherwise there would be no settlement. He did agree to ask the organization to include a clause in Armstrong's settlement agreement allowing him to keep his creative works relating to L. Ron Hubbard or the organization (para. 7L). During Armstrong's meeting with Mr. Flynn in Los Angeles

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1 he found himself facing a
2 dilemma. If he refused to
3 sign the settlement agreement
4 and affidavit all the other
5 settling litigants, many of
6 whom had been flown to Los
7 Angeles in anticipation of a
8 settlement, would be extremely
9 disappointed and would
10 continue to be subjected to
11 organization harassment for an
12 unknown period of time.
13 Armstrong had been positioned
14 in the settlement drama as a
15 deal-breaker and would
16 undoubtedly lose the support
17 of some if not all of these
18 litigants, several of whom
19 were key witnesses in his case
20 against the organization.
21 Although Armstrong was certain
22 that Mr. Flynn and his other
23 lawyers would not refuse to
24 represent him if he did not
25 sign the documents he also
26 knew that they all would view
27 him as a deal-breaker and they
28 would be as disappointed as

the other litigants in not ending the litigation they desperately wanted out of. The prospect of continuing the litigation with unhappy and unwilling attorneys on his side, even though his cross-complaint was set for trial within three months, was distressing. On the other hand, if he signed the documents, all his co-litigants, some of whom he knew to be in financial trouble, would be happy, the stress they felt would be reduced and they could get on with their lives. Flynn and the other lawyers would be happy and the threat to them and their families would be removed. The organization would have the opportunity they said they desired to clean up their act and start anew. Armstrong would have the opportunity to get on with the next phase of his life and

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1 the financial wherewithal to
2 do so. Armstrong also at that
3 time did not want to have to
4 testify in all the litigation
5 nor to respond to the media's
6 frequent questions. If the
7 organization continued its
8 fair game practices toward him
9 he knew that he would be left
10 to defend himself and he
11 accepted that fact. So, armed
12 with Mr. Flynn's advice that
13 the conditions he found so
14 offensive in the settlement
15 agreement were not worth the
16 paper they were printed on,
17 and the knowledge that the
18 organization's attorneys were
19 also aware of that legal
20 opinion, Armstrong put on a
21 happy face and the following
22 day went through the charade
23 of a videotaped signing.

24 There were absolutely no
25 negotiations involving
26 Armstrong in the liquidated
27 damages provision. The figure
28 of \$50,000 per utterance was

1 never approved by him, and he
2 would never have approved if
3 it had been presented to him
4 for approval. It is not
5 reflective of and has no
6 relationship of any kind to
7 any actual damages Scientology
8 would suffer for each
9 utterance he might make of his
10 experiences inside the
11 organization. Those actual
12 damages are zero. In
13 December, 1986 when he
14 protested to Mr. Flynn the
15 ridiculous sum and idea of
16 liquidated damages Flynn
17 stated "it's not worth the
18 paper it's printed on." The
19 discussion did not go beyond
20 that.

21
22 Defendant's Evidence:

23 Exhibit 1, Declaration of
24 Gerald Armstrong, paras. 4-12.

25 Attorney Michael Walton
26 advised Armstrong prior to
27 Armstrong signing the
28 settlement agreement that in

his opinion the liquidated damages provision would have to be reciprocal and apply to Scientology for it to be enforceable against Armstrong.

Defendant's Evidence:

Exhibit 1, Declaration of Gerald Armstrong para. 13.

Armstrong spoke to attorney Julia Dragojevic after he was threatened with litigation by Scientology attorney Larry Heller and Ms. Dragojevic told him she had a serious concern about the legality of the settlement agreement.

Defendant's Evidence:

Exhibit 1, Declaration of Gerald Armstrong, para. 15.

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23 6. At the time he
24 signed the Agreement, in the
25 presence of his counsel and
26 live witnesses, Armstrong had
27 the following exchange with
28 CSI attorney, Larry Heller:

6. Undisputed.

1 LARRY HELLER: O.K. Ah, Mr.
2 Armstrong, I'm going to ask
3 you to sign three documents,
4 ah, a Mutual Release of All
5 Claims and Settlement
6 Agreement, and two separate
7 affidavits. Prior to doing
8 so, however, I would like to
9 ask you some questions with
10 regard to those documents, um-
11 hm, excuse me, which I would
12 like you to answer freely and
13 honestly, if you would. Ah,
14 first of all, have you had a
15 chance to ah, completely and
16 comprehensively review and
17 read these documents?

18 ARMSTRONG: Yeah.

19 HELLER: O.K. Have you had a
20 chance to discuss these
21 documents with your attorney,
22 Mr. Flynn?

23 ARMSTRONG: Yes.

24 HELLER: Has Mr. Flynn
25 explained these documents as
26 well as the legal and factual
27 ramifications to you, legal
28 and practical ramifications to
29 you to your satisfaction?

30 ARMSTRONG: Uh, I think so,
31 yes.

32 HELLER: O.k. Well, do you
33 have any question of that
34 whatsoever?

35 ARMSTRONG: No, I have no
36 current questions about it.

37 HELLER: O.k. Very good, You
38 are going to sign these of
39 your own free will?

40 ARMSTRONG: Yes.

41 HELLER: O.k. You are not
42 suffering from any duress or
43 coercion which is compelling
44 you to sign these documents?

45

1 ARMSTRONG: No.

2 HELLER: All right. You are
3 not presently under the
4 influence of alcohol or any
5 medication, prescription or
6 otherwise, which would impede
7 your ability to comprehend the
8 legal and factual intent of
9 these documents?

10 ARMSTRONG: No.

11 Plaintiff's Evidence:

12 Exhibit 1C, Declaration of
13 Larry Heller, ¶¶ 4 and 5,
14 Exhibit A thereto, and Exhibit
15 B thereto, 1:19-2:18.

16 7. Armstrong received a
17 portion of a total sum paid to
18 his attorney, Michael Flynn,
19 in settlement of all claims of
20 Mr. Flynn's clients.

7. Undisputed.

21 Plaintiff's Evidence:

22 Request for Judicial Notice,
23 Exhibit A, Complaint, ¶ 13;
24 Request for Judicial Notice,
25 Exhibit B, Answer ¶ 13;
26 Exhibit 1B, Mutual Release of
27 All Claims and Settlement
28 Agreement, ¶3.

8. Armstrong received

8. Undisputed.

1 approximately \$800,000.00 from
2 Michael Flynn as his portion
3 of the total settlement sum
4 paid by CSI to Mr. Flynn for
5 Flynn's settling clients.

6 Plaintiff's Evidence:

7 Exhibit 1D, Declaration of
8 Graham Berry, and Exhibit B
9 thereto; Exhibit 1E Marin
10 Independent Journal, November
11 11, 1992, article entitled,
12 "Is Money The Root of Our
13 Problems?"

14
15 9. Paragraph 7(D) of
16 the Agreement provides that:
17 "Plaintiff agrees never to
18 create or publish or attempt
19 to publish, and/or assist
20 another to create for
21 publication by means of
22 magazine, article, book or
23 other similar form, any
24 writing or to broadcast or to
25 assist another to create,
26 write, film or video tape or
27 audio tape any show, program
28 or movie, or to grant

9. Undisputed.

1 interviews or discuss with
2 others, concerning their
3 experiences with the Church of
4 Scientology, or concerning
5 their personal or indirectly
6 acquired knowledge or
7 information concerning the
8 Church of Scientology, L. Ron
9 Hubbard or any of the
10 organizations, individuals and
11 entities listed in Paragraph 1
12 above. Plaintiff further
13 agrees that he will maintain
14 strict confidentiality and
15 silence with respect to his
16 experiences with the Church of
17 Scientology and any knowledge
18 or information he may have
19 concerning the Church of
20 Scientology, L. Ron Hubbard,
21 or any of the organizations,
22 individuals and entities
23 listed in Paragraph 1 above.
24 Plaintiff expressly
25 understands that the non-
26 disclosure provisions of this
27 subparagraph shall apply,
28 inter alia, but not be

1 limited, to the contents or
2 substance of his complaint on
3 file in the action referred to
4 in Paragraph 1 hereinabove or
5 any documents as defined in
6 Appendix "A" to this
7 Agreement, including but not
8 limited to any tapes, films,
9 photographs, recastings,
10 variations or copies of any
11 such materials which concern
12 or relate to the religion of
13 Scientology, L. Ron Hubbard,
14 or any of the organizations,
15 individuals and entities
16 listed in Paragraph 1 above.
17 The attorneys for Plaintiff,
18 subject to the ethical
19 limitations restraining them
20 as promulgated by the state or
21 federal regulatory
22 associations or agencies,
23 agree not to disclose any of
24 the terms and conditions of
25 the settlement negotiations,
26 amount of the settlement, or
27 statements made by either
28 party during the settlement

1 conferences. Plaintiff agrees
2 that if the terms of this
3 paragraph are breached by him,
4 that CSI and the other
5 Releasees would be entitled to
6 liquidated damages in the
7 amount of \$50,000 for each
8 such breach. All monies
9 received to induce or in
10 payment for a breach of this
11 Agreement, or any part
12 thereof, shall be held in a
13 constructive trust pending the
14 outcome of any litigation over
15 said breach. The amount of
16 liquidated damages herein is
17 an estimate of the damages
18 that each party would suffer
19 in the event this Agreement is
20 breached. The reasonableness
21 of the amount of such damages
22 are hereto acknowledged by
23 Plaintiff.

24 Plaintiff's Evidence:

25 Exhibit 1B Mutual Release of
26 All Claims and Settlement
27 Agreement, ¶7(D).
28

1 10. At the time the
2 Agreement was signed, it was
3 impossible to calculate the
4 likely cost to the Church and
5 the other settling entities
6 should Armstrong breach the
7 provisions of paragraph 7(D).

8 Plaintiff's Evidence:

9 Exhibit 1B Mutual Release of
10 All Claims and Settlement
11 Agreement, ¶7(D) Exhibit 1C,
12 Declaration of Larry Heller,
13 and Exhibits A and B thereto.
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28 11. On May 16, 1994, the

10. Disputed.

Armstrong never participated
in any discussions wherein he
attempted to estimate the
damages that would occur if
there were a breach. Church
of Scientology International
secretary Lynn Farny was
unable to specify what would
be required to address a
breach aside from attorney's
fees which he admitted were
covered by a different section
of the settlement contract.
Farny was not able to explain
why an identical provision in
two other contracts had
liquidated damages provisions
for \$10,000 for disclosures of
information about Scientology.

22 Defendant's Evidence:

23 Exhibit 1 at ¶ 12; Ex. 2
24 (A), Deposition of Lynn Farny,
25 488-521), Ex. 2 (C) Release of
26 Vicki Aznaran; Ex. 2 (D)
27 Release of Rick Aznaran .

11. Undisputed.

Second District Court of
Appeal affirmed the trial
court's order granting the
Church a preliminary
injunction.

Plaintiff's Evidence:

Request for Judicial Notice,
Exhibit C, May 16, 1994 Court
of Appeal Opinion, passim;
Request for Judicial Notice,
Exhibit D, May 28, 1992 Order
granting preliminary
injunction, passim.

12. In its May 16, 1994
Opinion the Second District
Court of Appeal found that
"Armstrong did not deny the
charged conduct but asserted
the settlement was not
enforceable for various
reasons, primarily that it was
against public policy and that
he signed it under duress."

Plaintiff's Evidence:

Request for Judicial Notice,
Exhibit C, May 16, 1994 Court

12. Disputed.

The statement of the
Court of Appeal disregarded
the fact that Judge Sohigian
refused to entertain any
testimony regarding the
interactions between Armstrong
and Flynn immediately before
the signing of the contract.

Defendant's Evidence:

Ex. 2 (A), Transcript of
Proceeding, Scientology v.
Armstrong, Los Angeles

of Appeal Opinion, p. 5.

Superior Court No. BC 052395,
May 26, 1992, at 73:27-74:2;
91:10-92:14; 93:18-95:23.

13. In its May 16, 1994
opinion the Second District
Court of Appeal summarily
rejected Armstrong's proffered
affirmative defenses, which
included arguments, inter
alia, that the Agreement was
contrary to public policy;
signed under duress; violated
various constitutional
provisions; restrained trade;
lacked mutuality and
obstructed justice; and that
"CSI had actually and/or
constructively defrauded
Armstrong and had unclean
hands.

Plaintiff's Evidence:

Request for Judicial Notice,
Exhibit C, May 16, 1994 Court
of Appeal Opinion, Exhibit 1F,
pp. 9-10; Appellant's Opening
Brief, pp. 24-49.

13. Disputed. The Court
of Appeal merely stated that
the grant of a preliminary
injunction did not decide the
ultimate merits of the case,
that Armstrong had not borne
his burden on appeal to show
an abuse of discretion, and
declined to discuss his
defenses any further.

Defendant's Evidence:

Plaintiff's Request for
Judicial Notice, Exhibit C,
May 16, 1994 Court of Appeal
Opinion, at p. 10.

1 14. Armstrong argued to
2 the Court of Appeal that some
3 provisions of the Agreement
4 violated the First Amendment.
5 The Court of Appeal rejected
6 this argument, holding,
7 "Although Armstrong's 'Freedom
8 of Speech' is affected, it is
9 clear that a party may
10 voluntarily by contract agree
11 to limit his freedom of
12 speech. (See In re Steinberg
13 (1983) 148 Cal.App. 3d 14, 18-
14 20 [filmmaker agreed to prior
15 restraint on distribution of
16 film]; ITT Telecom Products
17 Corp. v. Dooley (1989) 214
18 Cal.App.3d 307, 319
19 [Employee's Agreement not to
20 disclose confidential
21 information; 'it is possible
22 to waive even First Amendment
23 Free Speech rights by
24 contract']; Snepp v. United
25 States (1980) 444 U.S. 507,
26 509, fn 3 "[book by CSI
27 employee subject to
28 prepublication clearance by

14. Undisputed.

1 terms of his employment
2 contract]."

3 Plaintiff's Evidence:

4 Request for Judicial Notice,
5 Exhibit C, May 16, 1994 Court
6 of Appeal Opinion, Exhibit 1F,
7 pp. 9-10; Appellant's Opening
8 Brief, pp. 20-25.

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13 15. Vicki and Richard

15. Undisputed.

14 Aznaran are former Church

15 members and, in 1991, were

16 actively litigating against

17 several Churches of

18 Scientology. Vicki J.

19 Aznaran, et al. v. Church of

20 Scientology of California, et

21 al., USDC Central District of

22 California CV 88-1786 JMI(Ex)

23 (hereinafter the "Aznaran

24 case").

25 Plaintiff's Evidence:

26 Request for Judicial Notice,

27 Exhibit A, Complaint, ¶ 18;

28 Request for Judicial Notice

1 Exhibit B, Answer, ¶ 18;
 2 Exhibit 1A, Deposition of
 3 Gerald Armstrong, Vol II, July
 4 22, 1992, 183:1-3, Request for
 5 Judicial Notice Exhibit E,
 6 Complaint in the United States
 7 District Court for the Central
 8 District of California, Case
 9 No. CV 88-1786 JMI(Ex), Vicki
 10 J. Aznaran, et al. v. Church
 11 of Scientology of California,
 12 et al.

13
 14 16. In July, 1991, while
 15 attorney for the Aznarans,
 16 former Church attorney Joe
 17 Yanny "hired Gerry Armstrong
 18 as a paralegal to help [Yanny]
 19 on the Aznaran case. . ."

20 Plaintiff's Evidence:

21 Exhibit 1G, Transcript of
 22 Proceeding RTC et al. v. Yanny
 23 et al., Case No. BC 033035,
 24 August 6, 1991, 25:19-21,
 25 Exhibit 1H, Declaration of
 26 Joseph A. Yanny, July 31,
 27 1991, 4:21-22.

28

16. Disputed. Armstrong
 was not hired by Yanny. The
 sum total of the assistance
 that Armstrong provided to
 Yanny was to execute two
 declarations as a witness.

Defendant's Evidence

Exhibit 1, Declaration of
 Gerald Armstrong at ¶ 16.

1 17. In August, 1991,
 2 Armstrong began helping Ford
 3 Greene as a paralegal for the
 4 Aznarans. Greene tried to
 5 convince the Aznarans to pay
 6 him a monthly stipend for
 7 Armstrong, so that Armstrong
 8 could work on the Aznaran
 9 case.

10 Plaintiff's Evidence:

11 Exhibit 1I, Declaration of
 12 Vicki Aznaran dated May 19,
 13 1994, p. 5, ¶ 7, Exhibit 1J,
 14 Armstrong's Responses to CSI's
 15 Requests for Admission, July
 16 21, 1994, Request no. 4.

17

18 18. On August 26, 1991,
 19 Armstrong signed a declaration
 20 for filing in the Aznaran case
 21 containing statements
 22 regarding his alleged
 23 experiences with and knowledge
 24 of the Church and L. Ron
 25 Hubbard.

26 Plaintiff's Evidence:

27 Exhibit 1A, Deposition of
 28 Gerald Armstrong, Vol III,

17. Disputed.

Greene never tried to get
 the Aznarans to pay Armstrong.

Defendant's Evidence

Exhibit 2, Declaration of Ford
 Greene at

18. Disputed.

Scientology misconstrues the
 declaration. Armstrong signed
 a declaration that
 authenticated two documents
 attached thereto.

Defendant's Evidence

Plaintiff's Evidence,
 Ex.1(A)11 Declaration of
 Gerald Armstrong In Opposition
 To Motion To Exclude Expert

1 322:19-323:7, 324:5-10,
2 324:21-23, 325:1-10, 325:17-
3 326:3, 327:8-10, and Exhibit
4 11 thereto, Exhibit 1K,
5 Armstrong Declaration, August
6 26, 1991, Request for Judicial
7 Notice, Exhibit A, Complaint,
8 ¶¶ 37 and 59; Request for
9 Judicial Notice, Exhibit B,
10 Answer, ¶¶ 37 and 59.
11

Testimony filed August 26,
1991 in Aznaran v.
Scientology.

12 ISSUE NUMBER II:

13 Scientology's Claim: The Church is entitled to summary
14 adjudication of the Sixth Cause of Action because there is no
15 dispute that the parties entered into a written agreement, that
16 the CSI performed all of its obligations pursuant to the
17 agreement, Armstrong breached the agreement by providing
18 interviews to the media, and that CSI is entitled to liquidated
19 damages of \$100,000.00 for these breaches.

20 CSI incorporates herein Undisputed Facts and Evidentiary
21 Support Nos. 1 to 18, supra.

22 Armstrong's Claim: Scientology is not entitled to summary
23 adjudication of the Sixth Cause of Action because the subject
24 contract was obtained by duress and fraud, the \$50,000 liquidated
25 damages penalty of the subject contract has no relationship to
26 actual damages, acts as a penalty and is against public policy,
27 and Armstrong's media contacts are protected by the litigant's
28 privilege.

1 PLAINTIFF CSI'S MATERIAL FACTS
2 AND SUPPORTING EVIDENCE

DEFENDANT ARMSTRONG'S MATERIAL
FACTS AND SUPPORTING EVIDENCE

3
4 19. In 1992, Armstrong
5 had twelve contacts with media
6 representatives, two of which
7 were interviews with reporters
8 from the Cable News Network
9 ("CNN") and The American
10 Lawyer magazine.

19. Undisputed.

11 Plaintiff's Evidence:
12 Exhibit 1A, Deposition of
13 Gerald Armstrong, Vol III,
14 341:24-342:16.

15
16 20. On March 20, 1992,
17 Armstrong and his counsel,
18 Ford Greene, provided a
19 videotaped interview to
20 reporter Don Knapp of CNN.

20. Undisputed.

21 Plaintiff's Evidence:
22 Request for Judicial Notice,
23 Exhibit A, Complaint, ¶ 44;
24 Request for Judicial Notice
25 Exhibit B, Answer, ¶ 44;
26 Exhibit 1A, Deposition of
27 Gerald Armstrong, Vol III,
28 341:24-344:14; 345:10-16.

1 21. In the CNN
2 interview, Armstrong discussed
3 his knowledge of the Church of
4 Scientology and L. Ron Hubbard
5 which he had gained through
6 his experiences with the
7 Church of Scientology.

8 Plaintiff's Evidence:
9 Request for Judicial Notice,
10 Exhibit A, Complaint, ¶ 44;
11 Request Answer, ¶ 44; Exhibit
12 1L, Transcript of CNN
13 Broadcast, Exhibit 1A,
14 Deposition of Gerald
15 Armstrong, Vol III, 343:19-
16 344:4.

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21. Disputed.

In the CNN interview
Armstrong stated, in total,
"I'm an expert in the
misrepresentations Hubbard
made about himself from the
beginning of Dianetics until
the day he died." The
remainder of the dialogue was
provided to CNN by
Scientology. Armstrong's
knowledge of Hubbard's
misrepresentations and fair
game is not limited to the
time prior to the execution of
the settlement contract.

Following the 1986
settlement he read several
biographies and other
materials specific to Hubbard
and Scientology.

In his decision of June
20, 1984 Judge Paul G.
Breckenridge, Jr. found that
Scientology harassed and
abused perceived enemies with
its "Fair Game" doctrine, and
found Armstrong's testimony

credible and extremely
persuasive.

Defendant's Evidence

Plaintiff's Exhibit 1L,
Transcript of CNN Broadcast;
Plaintiff's Exhibit 1A,
Deposition of Gerald
Armstrong, Vol III, 343:19-
344:4; Exhibit 1, Declaration
of Gerald Armstrong at ¶ 2;
Exhibit 1(A) Memorandum of
Intended Decision filed June
22, 1984 in Scientology v.
Armstrong, Los Angeles
Superior Court No. C 420153,
at 7:9-14, 8:18-24; Exhibit
1(F) Title page and Table of
Contents from L. Ron Hubbard -
Messiah or Madman, by Bent
Corydon, published in 1987.

22. Armstrong and his
counsel, Ford Greene, were
interviewed by reporter
William Horne of The American
Lawyer magazine. Armstrong
made statements concerning his
knowledge of and experiences

22. Disputed.
A review of the deposition
pages will show that Armstrong
made no statements to reporter
Horne regarding his
experiences in and knowledge
of Scientology prior to

1 with the Church of Scientology
2 during that interview.

3 Plaintiff's Evidence:

4 Exhibit 1A, Deposition of
5 Gerald Armstrong, Vol III,
6 341:24-342:14, 348:21-360:19.

December 1986. Armstrong,
did, however, discuss the
instant litigation with
reporter Horne.

Defendant's Evidence

Plaintiff's Exhibit 1A,
Deposition of Gerald
Armstrong, Vol III, 341:24-
342:14, 348:21-360:19;
Exhibit 1, Declaration of
Gerald Armstrong, ¶ 17;
Exhibit 1(D) Deposition of
Gerald Armstrong, Vol III,
349-359; Exhibit 1(E) Excerpt
from July/August, 1992
American Lawyer

18 ISSUE NUMBER III:

19 Scientology's Claim: The Church is entitled to summary
20 adjudication on the Eleventh Cause of Action because there is no
21 dispute that the parties entered into a written agreement, that
22 the Church performed all of its obligations pursuant to the
23 agreement, Armstrong breached the agreement by providing a
24 declaration which purports to discuss his experiences with the
25 Church of Scientology to anti-Church litigant David Mayo, and that
26 the Church is entitled to liquidated damages of \$50,000.00 for
27 this breach.

28 CSI incorporates herein Undisputed Facts and Evidentiary

Support Nos. 1 to 18, supra.

Armstrong's Claim: Scientology is not entitled to summary adjudication of the Eleventh Cause of Action because liability for said cause of action is precluded by the litigant's privilege, the \$50,000 liquidated damages provision of the subject contract has no relationship to actual damages, acts as a penalty and is against public policy.

Armstrong incorporates herein his Disputed Facts and Evidentiary Support Nos. 1 to 18, supra.

PLAINTIFF CSI'S MATERIAL FACTS
AND SUPPORTING EVIDENCE

DEFENDANT ARMSTRONG'S MATERIAL
FACTS AND SUPPORTING EVIDENCE

23. On May 27, 1992,
Armstrong met with attorneys
Jerold Fagelbaum and Gary
Bright, attorneys for David
Mayo and the Church of the New
Civilization in the
consolidated cases of
Religious Technology Center et
al. v. Robin Scott et al.
United States District Court
for the Central District of
California, Case No. CV 85-711
JMI(Bx), and Religious
Technology Center et al. v.
Larry Wollersheim et al.,

23. Undisputed.

1 United States District Court
2 for the Central District of
3 California, Case No. CV 85-
4 7197 JMI(Bx). At the time,
5 Fagelbaum and Bright were
6 litigating a cross-claim in
7 that case against inter alia,
8 CSI.

9 Plaintiff's Evidence:

10 Request for Judicial Notice,
11 Exhibit A, Complaint, ¶ 68;
12 Request for Judicial Notice,
13 Exhibit B, Answer, ¶ 68;
14 Exhibit 1A, Deposition of
15 Gerald Armstrong, Vol II,
16 214:20-216:24.

17

18 24. At his meeting with 24. Undisputed.
19 Fagelbaum and Bright,
20 Armstrong executed a
21 declaration purporting to
22 authenticate an affidavit
23 describing Armstrong's alleged
24 experiences with the Church.

25 Plaintiff's Evidence:

26 Request for Judicial Notice,
27 Exhibit A, Complaint, ¶¶ 68
28 and 69; Request for Judicial

1 Notice, Exhibit B, Answer, ¶¶
2 68 and 69; Exhibit 1A,
3 Deposition of Gerald
4 Armstrong, Vol II, 219:17-
5 226:25, and Exhibit 8 thereto,
6 Declaration of Gerald
7 Armstrong, May 27, 1992.

8

9 DEFENDANT'S ADDITIONAL ISSUE

10 Fourth Cause of Action Defense: Armstrong's providing a
11 declaration to the Aznarans is protected by the Litigant's
12 Privilege.

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25. Armstrong's Amended
Answer to Scientology's
Amended Complaint contains
defenses of, inter alia,
Duress and Undue Influence
(Twelfth), Liquidated Damages
Act as a Penalty (Twenty-
Fourth), and Privilege (Forty-
Third).

Defendant's Evidence

Plaintiff's Request for
Judicial Notice, Ex. B,
Amended Answer of Gerald
Armstrong and The Gerald
Armstrong Corporation to
Amended Complaint at 29:10,

33:16, and 40:11.

26. The Aznarans' Complaint against Scientology, filed April 1, 1988, alleged, inter alia, Fraud, Intentional Infliction of Emotional Distress, False Imprisonment, claiming that they had been deceived, brainwashed, exploited, abused and damaged.

Defendant's Evidence

Plaintiff's Request for Judicial Notice Exhibit E, Complaint, Vicki J. Aznaran, et al. v. Church of Scientology of California, et al., US District Court for the Central District of California, Case No. CV 88-1786 JMI(Ex) at 4:19-6:6; 19:14-20:16)

27. On or about July 29, 1991 Scientology filed a motion in the Aznaran case to exclude the testimony of Plaintiffs' Designated Expert

1 Witness Margaret Singer on
2 Scientology's brainwashing of
3 the Aznarans, on the grounds
4 that it was scientifically
5 unreliable and would
6 necessitate an evaluation of
7 religious beliefs.

8 Defendant's Evidence

9 Defendant's Request for
10 Judicial Notice Exhibit A,
11 Notice of Motion and Motion to
12 Exclude Testimony of
13 Plaintiffs' Designated Expert
14 Witness Margaret Singer in
15 Aznaran at 2:11-3:3.

16
17 28. On August 26, 1991
18 the Aznarans filed their
19 opposition to Scientology's
20 motion to exclude expert
21 testimony.

22 Defendant's Evidence

23 Defendant's Request for
24 Judicial Notice Exhibit B,
25 Plaintiff's Opposition to
26 Motion to Exclude Expert
27 Testimony in Aznaran at 35:5-
28 13.

1 29. The Aznarans
2 supported their Opposition
3 with a declaration executed by
4 Gerald Armstrong which
5 authenticated two documents
6 which showed Scientology's
7 familiarity with brainwashing.

8 Defendant's Evidence

9 Defendant's Request for
10 Judicial Notice Exhibit C,
11 Declaration of Ford Greene
12 Opposing Motion to Exclude
13 Expert Testimony, Exhibit (F)
14 thereto, Declaration of Gerald
15 Armstrong in Opposition to
16 Motion to Exclude Expert
17 Testimony.

18
19 30. On June 23, 1992,
20 Scientology's motion to
21 exclude the testimony of Dr.
22 Margaret Singer was denied.

23 Defendant's Evidence

24 Defendant's Request for
25 Judicial Notice Exhibit D,
26 Order Ruling on All Remaining
27 Pending Motions, signed by US
28 District Judge James M.

Ideman.

ISSUE

Sixth Cause of Action Defense: Armstrong's media contacts are beyond the scope of the settlement contract because they address the instant litigation.

31. Armstrong's CNN interview was directly related to the instant post-settlement litigation in which Scientology consented to CNN's taping of a March 20, 1992 hearing before the Honorable Michael B. Dufficy and participated in interviews with CNN in the hallway outside the courtroom after the hearing's conclusion.

Defendant's Evidence

Exhibit 1, Declaration of Gerald Armstrong at ¶ 17;
Exhibit 1(A) thereto
Breckenridge Decision and
Exhibit 1(D) thereto
Deposition of Gerald
Armstrong, Vol III, 349-359;

1 Exhibit 1(E) Excerpt from
2 July/August, 1992 American
3 Lawyer; Exhibit 1(F) Title
4 Page and Table of Contents
5 from L. Ron Hubbard - Messiah
6 or Madman, by Bent Corydon,
7 published in 1987; Defendant's
8 Request for Judicial Notice,
9 Exhibit E, Request of CNN to
10 Conduct Film and Electronic
11 Media Coverage and Order filed
12 March 20, 1992 in Scientology
13 v. Armstrong, Marin Superior
14 Court No. 152229 and Order
15 that Filming is allowed, by
16 Judge Michael B. Dufficy filed
17 March 20, 1992 in Armstrong;
18 Declaration of Ford Greene at
19 ¶¶ 3-4)

21 32. Armstrong's
22 interview by American Lawyer
23 reporter William Horne was
24 directly related to the
25 instant post-settlement
26 litigation and involved
27 nothing more than what Judge
28 Breckenridge stated in his

1 decision in Armstrong I.

2 Defendant's Evidence

3 Exhibit 1, Declaration of
4 Gerald Armstrong at ¶ 17;
5 Exhibit 1(A) - Breckenridge
6 Decision; Exhibit 1(E)
7 Excerpt from July/August, 1992
8 American Lawyer.

9
10 ISSUE

11 Eleventh Cause of Action Defense: Armstrong's providing a
12 declaration to David Mayo is protected by the Absolute Litigant's
13 Privilege.

14 33. On May 27, 1992
15 David Mayo, defendant in the
16 case of Religious Technology
17 Center et al. v. Robin Scott
18 et al. United States District
19 Court for the Central District
20 of California, Case No. CV 85-
21 711 JMI(Bx), filed his
22 opposition to Scientology's
23 motion for a protective order
24 re fifth request for
25 production of documents and
26 things. The things sought by
27 Mayo included two audiotapes,
28 commonly referred to as the

1 MCCS tapes, which had been
2 part of the case in
3 Scientology v. Armstrong, LASC
4 No. C 420153 (Armstrong I) and
5 had been the subject of
6 litigation know as US v.
7 Zolin.

8 Defendant's Evidence

9 Defendant's Request for
10 Judicial Notice Exhibit F,
11 Defendants and Counter-
12 Claimants Opposition to
13 Plaintiffs and Counter-
14 Defendants' Motion for
15 Protective Order Re Fifth
16 Request for Production of
17 Documents and Things and for
18 Sanctions, filed May 27, 1992
19 in Religious Technology Center
20 et al. v. Robin Scott et al.
21 United States District Court
22 for the Central District of
23 California, Case No. CV 85-711
24 JMI (Bx).

25
26 34. The declaration
27 provided by Armstrong to Mayo
28 authenticated a partial

transcript of the testimony of
Laurel Sullivan in Armstrong I
trial proceedings and an
affidavit containing a partial
transcript of the MCCS tapes.

Defendant's Evidence

Plaintiff's Evidence, Ex. 1
(A) 8.

35. Mayo's opposition
cited to the partial
transcript of proceedings in
Armstrong I and referred to the
partial transcript of the
tapes authenticated by
Armstrong.

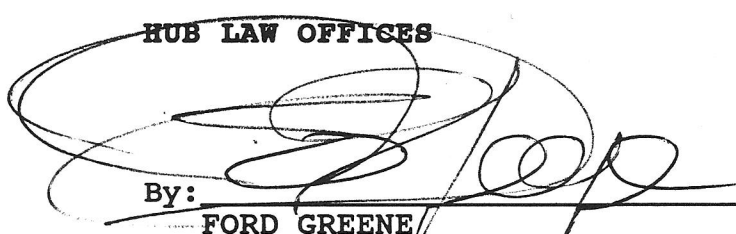
Defendant's Evidence

Defendant's Request for
Judicial Notice Exhibit F,
Defendants and Counter-
Claimants Opposition to
Plaintiffs and Counter-
Defendants' Motion for
Protective Order Re Fifth
Request for Production of
Documents and Things and for
Sanctions, filed May 27, 1992
in Religious Technology Center

v. Scott, at 4:18-5:22, 8:1-
9:9.

DATED: January 13, 1995

HUB LAW OFFICES

By: 

FORD GREENE

Attorney for Defendants
GERALD ARMSTRONG and THE
GERALD ARMSTRONG CORP.